
Appalachian Regional Commission, Washington, D.C.

May 79

Child Development Centers; Community Services; *Depressed Areas (Geographic); Development; *Economic Development; Educational Development; Employment; Health Services; Housing; Income; Industrialization; Low Income States; Natural Resources; Needs; Population Trends; Regional Characteristics; Regional Cooperation; *Regional Programs; *Rural Development; *State Programs

Alabama; Appalachia; *Appalachian Regional Commission, DC; Georgia; Kentucky; Maryland; Mississippi; New York; North Carolina; Ohio; Pennsylvania; South Carolina; Tennessee; Virginia; West Virginia

One component of the Appalachian Regional Commission's regional plan process is the annual review and approval of individual state development policies. The state summaries of proposed programs for fiscal year 1979 (for Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia) include an analysis of economic and social conditions giving population trends, employment rates, and per capita income; an assessment of the region's needs and potentials; a statement of goals, objectives, and priorities for the region; and an abstract of the investment program. Each investment program identifies and describes the projects and programs which will be eligible for funding by the Commission and their costs. Projects fall into the following categories: child development, community development and housing, education and vocational training, energy and natural resources, enterprise development, health, industrial parks, sewer and water systems, small farm demonstration, and research and development. Allocations, requested from the Commission to fund the programs range from North Carolina's $9,800,000 to Pennsylvania's $26,900,000. (NEC)
WHAT IS ARC?

The Appalachian Regional Commission (ARC) is composed of the Governors of the 13 states that comprise Appalachia and a federal cochairman who is appointed by the President. A states cochairman is elected from among the Governors; the position is rotated among the states. The Commission's staff of about 110 persons is headed by an executive director.

For many years, Appalachia, despite its rich natural resources, has suffered from chronic economic and social distresses: isolation; a lack of transportation to counteract its inaccessibility; boom-and-bust cycles of prosperity and poverty; unemployment; inadequate public facilities; a lack of social services. The Commission was established by Congress in 1965 as a means of relieving these distresses and thus of building a better economy and a better quality of life for Appalachia and its inhabitants.

ARC represents a unique experiment in cooperative development and in American government. The Commission's development program is the largest and most diversified effort of its kind ever undertaken in the United States. And ARC itself is a unique partnership of federal, state and local government.

This partnership is the key to the way in which ARC does business for Appalachia. A development program or a specific project proposal can be brought before the Commission only by a state; no projects can be initiated at the federal level. All formal approvals of state investment programs require the affirmative vote of a majority of the Commission's member states and the federal cochairman.

A basic element in the ARC partnership is local participation in the Commission's development program. To assist local planning and to ensure that ARC funds are used to serve local communities, the Commission, through its member-states, works with areawide planning and development agencies, known as local development districts (LDDs). Each LDD has a board, consisting of elected officials and public representatives of several counties, and a professional staff. Both work with the local citizenry to assess local needs; to determine local priorities; and to prepare local development plans based upon those needs and priorities.

The primary goals of the Appalachian program include:

- providing every person living in the Region with the health and skills needed to compete in everyday life wherever he or she chooses to live
- attracting new industry and manufacturing to the Region, thus providing more jobs and a more diversified economic base.

To accomplish these aims, Appalachia must have an adequate transportation system; community facilities (sewers, water and solid waste disposal systems, housing and related amenities); schools and hospitals and must take advantage of its rich natural resources without harm to the environment. The Commission's investments are therefore in these specific areas:

transportation; energy, environment and natural resources; health and child development; enterprise development; education; research and technical assistance; community facilities and housing.

WHAT IS APPALACHIA?

Appalachia, as defined in the legislation from which the Appalachian Regional Commission derives its authority, is a 195,000-square-mile region that follows the spine of the Appalachian Mountains from southern New York down to northern Mississippi. It includes all of West Virginia and parts of twelve other states: Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, and Virginia.
ABSTRACTS

STATE APPALACHIAN DEVELOPMENT PLANS
AND
INVESTMENT PROGRAMS FOR FISCAL YEAR 1979

MAY 1979

Appalachian Regional Commission
1666 Connecticut Avenue, Northwest.
Washington, D. C. 20235
FOREWORD

One component of the Appalachian Regional Commission's regional plan process is the individual state development policies which are included in the states' current development plans and investment programs.

The state Appalachian development plans present an analysis of economic and social conditions, an assessment of the region's needs and potentials and a statement of goals, objectives and priorities for the region. The investment programs identify and describe the projects and programs which will be eligible for consideration for funding by the Commission. The plans and investment programs are approved annually by the Commission.

Summaries of the plan objectives, needs and priorities and the investment programs for fiscal year 1979 are presented in this document. The plans and investment programs for Georgia and North Carolina were approved November 1978. The other plans and programs were approved by the Commission at its April 5, 1979 meeting.

HENRY H. KREVOR
Executive Director
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<td>West Virginia</td>
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</table>
Appalachian Data and Development Trends

Appalachian counties: 35  
Population (1977): 2,285,000  
Employment (1977): 899,800  
Unemployment rate (1977): 7.5%  
Per capita income (1976): $5,309  
Per capita income as percent of U.S. level (1976): 83%  
Per capita income as percent of U.S. level (1970): 77%

Appalachian Alabama has the second largest population of any Appalachian state area and, compared to Southern Appalachia, a more urbanized population. However, growth in population has been slow, much of it occurring in nonmetropolitan areas. Between 1970 and 1977 population located in rural counties grew 7.2 percent, much higher than the metropolitan counties growth rate of 5.7 percent. Unemployment is high compared to surrounding states and compared to the national average. The highest unemployment rates occurred in rural areas with seven of 17 rural counties registering unemployment rates higher than 9 percent. Per capita income is relatively high for a Southern Appalachian area, largely due to the influence of urbanized areas.

Abstract of Plan Objectives, Needs and Priorities for Fiscal Year 1979

For FY 1979 Alabama will continue to use its 1977 Appalachian development plan. The FY 1977 plan was a new document and extended and refined the FY 1974-76 plan. Alabama's primary goal this fiscal year as well as in FY 1978 and preceding years has been industrial development. The state's basic planning objective is the evolvement of an overall planning process that will benefit the entire state. Although Alabama had contemplated producing a statewide plan in FY 1978, the state now anticipates completion of this plan in the current calendar year. In the preparation of its plan, Alabama has continued to obtain citizen input through review of preliminary draft plans and appropriate public hearings at the local development district (LDD) level.
Alabama, pursuant to the requirements of Section 200A-6.2 of the Appalachian Regional Commission Code, has evaluated its 1979 state development plan against the requirements of Section 200A-3 and states the following:

1. There are no significant new or changed state and district policies or strategies. As the areawide action planning process moves forward in several of the local development districts, however, new and revised development strategies, can be expected to emerge. The proposed amendments clarify existing policy.

2. There are no new significant changes in the region's characteristics or conditions.

3. The current year completed evaluation does not suggest significant changes.

4. The approved FY 1978 plan covers all programs expected to be pursued in FY 1979.

5. Current Commission policies do not suggest a need for revisions.

6. No special development opportunities are identified for FY 1979 plan.

Problems and program areas which show a relationship to rapid industrial growth especially in rural areas, small and mid-size towns and cities, again will receive the major emphasis in FY 1979. Investments will be concentrated in basic health services in rural areas, water and sewer facilities and vocational education. All other program areas will receive lesser emphasis.

The plan is divided into two major parts: Part A sets forth the development problems, needs, objectives and goals for all activities other than health and child development, which is contained in Part B. The basic industrial development goal is supported by a development strategy that:

- builds upon the regional approach to problem solving by placing investments in an areawide perspective
- takes advantage of the strong rural-urban dependency structure of the state, especially the network of medium to large centers and their outlying rural areas within commuting distance
- uses the established multicounty regional development planning programs that have institutionalized planning and public investment programming over the years
- recognizes also that program, as well as spatial, balance is an integral part of its development strategy including acknowledgement that human resource activities often must be upgraded as much as physical facilities for development progress and
focuses on those public investment strategies in urban and rural areas
necessary to support job-creating activities.

The plan's locational strategy consists of a network of growth regions which are
centered on the seven major cities in Appalachian Alabama. These regions also
contain second-level cities (secondary centers) and their associated hinterlands.
The selection of secondary centers including those outside the major growth regions
are based on a number of development performance criteria. Finally, criteria are
set forth in the plan that will enable the state to determine the eligibility of
special development opportunity areas.

All program areas in the plan are related to the state's overriding goal of rapid
industrialization. The nucleus of Alabama's overall program strategy is on the
development of water systems to encourage the location of new industries and
expansion of existing plants and vocational education programs with a manpower
training emphasis.

The education section of the plan emphasizes the coordination of the specific skills
requirements of industry with educational training programs. This remains one of
the highest priorities in Alabama's overall plan for economic development.

Alabama's health program priorities continue to emphasize basic health services in
underserved rural areas and to supplement its own mental health efforts. The state
continues to maintain the option for hospital construction only if sufficient need is
clearly demonstrated.

The state's child development program consists of a network of centers that
provide health and nutrition, education and social services by utilizing local
development districts to administer projects within their regions. Considerable
emphasis has been placed on two types of nutrition services: providing food
directly and providing counseling and education regarding nutrition.

In the community development program area, the state's first priority is water
distribution storage and supply systems. Other community public facilities such as
community centers, libraries, parks and recreational facilities and sewer facilities
are given a much lower priority. In housing top priority is given to providing
technical assistance to local and areawide sponsors and low- and moderate-income
housing with a lower priority to on-site and off-site development grants. Parks and
recreation facilities must be consistent with the statewide recreation plan and first
priority is given to those proposals serving areas of greatest growth potential and
second priority to those facilities that will maximize the state's tourism program.

Alabama's natural resources and environmental program has three major objectives:
preservation of prime agricultural and forest land and better utilization of
developable areas for industrial and commercial growth; protection of
environmental quality in areas undergoing growth by provision of adequate water
distribution and wastewater collection and treatment; and effective development
of mineral resources while ensuring minimum environmental impact.
The state's highest transportation priority is the completion of Appalachian Development Corridor V. Highway-related planning objectives include analysis of opportunities related to the Tennessee-Tombigbee Waterway, planning and scheduling funding for projects leading to the completion of ARC Corridor V and an assessment of needs for the development access roads program.
**Abstract of Investment Program for Fiscal Year 1979**

Alabama's FY 1979 investment program reflects a continuing emphasis on community development and a slight increase in expenditures in that program area over last year. Health investments have increased whereas use of area development funds for education and child development has decreased.

**Summary of Fiscal Year 1979 Investment Program**

<table>
<thead>
<tr>
<th>Proposed Funding</th>
<th>Number of Projects</th>
<th>ARC Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted Area Development Allocation</td>
<td>82</td>
<td>$14,565,058*</td>
</tr>
<tr>
<td>Other Funding</td>
<td>1</td>
<td>464,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>83</strong></td>
<td><strong>$15,029,058</strong></td>
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</table>

Note: The current adjusted area development allocation is $11,428,611.

**PROPOSED FISCAL YEAR 1979 ADJUSTED AREA DEVELOPMENT ALLOCATION FUNDING AMONG PROGRAM AREAS**

<table>
<thead>
<tr>
<th>Major Program Area</th>
<th>Percent of Total Dollars</th>
</tr>
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<tbody>
<tr>
<td>Community Development and Housing</td>
<td>41.3%</td>
</tr>
<tr>
<td>Health</td>
<td>29.0</td>
</tr>
<tr>
<td>Education</td>
<td>23.6</td>
</tr>
<tr>
<td>Child Development</td>
<td>4.6</td>
</tr>
<tr>
<td>Research and Demonstration</td>
<td>1.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

*represents 127 percent of the adjusted 1978 area development allocation*
State of Georgia
Appalachian Development Plan
and Investment Program

Appalachian Data and Development Trends

Appalachian counties: 35
Population (1977): 1,001,000
Population change (1970-1977): 23.0%
Employment (1977): 398,002
Unemployment rate (1977): 6.3%
Per capita income (1976): 4,906
Per capita income as percent of U.S. level (1976): 76.7%
Per capita income as percent of U.S. level (1970): 75.0%

Between 1970-76 Appalachian Georgia had the most rapid population growth in the Region. 23 of its 35 counties had population increases above ten percent. Most of this growth was in the ten counties around the heart of metropolitan Atlanta. Unemployment rates in 1976 were highest in rural counties and lowest in the Atlanta suburban counties within the region. Per capita income remains low. No Appalachian county exceeded the U.S. average in 1975. Yet, growth has been rapid since 1970 especially in urban and metropolitan counties.

Abstract of Plan Objectives, Needs
and Priorities for Fiscal Year 1979

For FY 1979 Georgia has submitted a statement which reaffirms the continued applicability of its 1978 development plan. This statement provides an analysis of the previously approved 1978 plan in accordance with Section 200A-6.2 of the ARC Code and states that the plan's program priorities, goals and social and economic conditions within the state have not substantially changed.

The Georgia plan for FY 1979 is designed to be a policy-making tool for conducting the ARC and Coastal Plains regional programs. A statewide strategy for planning growth and development as well as investments is contained in the plan. Georgia's plan further provides the strategies for its substate districts through which the state
The current Georgia state investment plan is designed to be an interim document for guiding program efforts prior to the development of a growth plan and a statewide economic development planning process. It is divided into six (6) parts: goals, regional conditions, trends and resources; trends in growth; state investment strategy; programs for development; and program management evaluation.

Georgia has developed eight goals to guide its growth, policy planning and distribution of program activities. These goals were developed from broader program goals and were reviewed by state agencies and substate planning commissions. The goals are:

- To improve the performance of the people of Georgia in the nation's economy
- To improve the economic base of underdeveloped growth areas within Georgia
- To provide for growth within the constraints of the natural resource base, such as suitability of land, availability of water and vulnerability to loss of quality
- To retain and enhance especially vulnerable natural, historical and aesthetic areas
- To promote development and consumption patterns which conserve public and private financial and tangible resources
- To assure that citizens in all areas of the state are provided with an adequate array of regional and community public services
- To assure that public service facilities are distributed to be readily accessible to all citizens
- To assure that state policies which affect growth be consistent with local attitudes, desires, governmental capabilities and the constitutional rights of individuals.
The plan surveys the state's economic conditions and opportunities, environmental conditions and natural resources, and growth-related services. Georgia's economic growth rate has exceeded the nation's in recent years, but this progress has not eradicated the gap in incomes between Georgia and the nation. The reasons for low incomes are attributed to the predominance of low-wage industries, the existence of large agricultural regions and the disparity between the well-developed Atlanta economy and the rest of the state. Economic forecasts indicate that Georgia might experience much slower growth rates in the future.

Although the availability of suitable land in Appalachian Georgia is limited, ample supplies of water provide it with good growth potential. Public services and facilities are also the basic framework upon which economic development can occur. Georgia classifies such services as "lead" services which direct growth to specific areas and "support" services which generally improve prospects for growth within an area. Highway access, developed water supplies and sewerage are the major lead services needed in Appalachian Georgia. Support facilities such as schools, airports, hospitals and parks are well distributed. Improvements in service quality and accessibility to these facilities are the primary needs in the Appalachian area.

The plan categorizes six types of community growth and states that investments in economic development should be tailored to the particular growth experience of each community. The six types of community growth are: rapidly growing metropolitan areas; stable metropolitan areas; smaller towns which are becoming metropolitan areas; slow growing small cities; urbanizing areas; and static rural areas. Investment strategies for rapidly growing areas will provide assistance to accommodating growth. In stable areas, investments will be made to revitalize and stimulate growth, and upgrading skills and education will be the major emphasis in rural areas. Future growth trends indicate that Appalachia will attract many new residents, but incomes will remain relatively low.

Growth areas identified in Georgia's FY 1978 state plan still serve as priority locations for funding. Georgia states that it is necessary to look at all areas of the state and every community with respect to potential for future growth. Georgia, after more than a decade of investing ARC funds in its growth centers will look at all community projects for future funding. This policy reflects the executive policy of the state and the evolving concept of balanced growth and economic development. In addition, the state is adopting a policy which considers project or program proposals on an area-by-area basis. A project or program that is located within a potential growth area must ensure that the investment is based on the delivery of an essential service to not only the immediate community but to the surrounding hinterland as well. Such a service is limited to one or more combinations of the following program areas: economic development, tourism, transportation, agriculture, recreation, health, child development, education, community development and historic preservation. This new approach will help Georgia customize investment strategies to the variety of growth situations found throughout the state. The State has requested that Fairmont be designated an area of special development opportunities.

The plan analyzes and discusses investment strategies for functional programs in economic development, transportation, intellectual development, natural resources, human development and housing. Within these functional areas ARC can support projects for access roads and highways, health and child development, housing, vocational education, supplemental assistance and administrative support, and
research and development. More emphasis will be placed on additional new programs such as arts and crafts, recreation, rural public transportation, energy, tourism and education. The realignment of Georgia Route 400 and a spur from it to Dahlonega are the state's priorities for access roads and highways. Section 214 supplemental assistance funding will be the heart of the area development program. Under this program Georgia will continue to submit individual projects for health demonstration, child development, supplementation to vocational education facilities and other supplemental assistance program areas as authorized by the ARDA.

The child development goal of the program as indicated in last year's plan is to "insure the healthy growth of all children." Past objectives have aimed at provision of coordinated health, education, nutrition and social services through provision of a regional system of child care programs to strengthen families and prevent costly problems.

In FY 1978 Georgia has developed a state investment strategy that focuses on development of child development programs in underserved areas if the underserved area indicates a commitment to support and maintain functioning child development programs.

It is the state's position that underserved areas will continue to be underserved if the public and private sectors and the community do not indicate an interest in the development of child care programs. Underserved areas would be of the highest priority for the extension of ARC child development programs only if they are able to generate a local base of support that indicates that child care is needed and wanted. The child development office in Georgia will provide technical assistance to local planning agencies and local and regional advisory councils in the development of community support for child care. Also, efforts to minimize duplication and fragmentation of services and to maximize the use of existing federal and non-federal resources will be intensified.

The state has developed much of the education capital investments needed. Future emphasis will focus on strengthening vocational programs with such programs as career education, guidance-placement services, coordination of health manpower programs and programs for the new technologies and services areas opening up, as well as meeting the needs for expansion of facilities to accommodate population growth or overcrowded conditions. The state will also continue to support programs that will better utilize the Appalachian regional satellite demonstration program and its concept of telecommunications.

The program management evaluation section of the plan provides a means for the state to improve the selection process of projects and assess their effectiveness. This evaluation process uses a select group of indicators, monitors the projects and programs periodically and performs a policy analysis on the results.

Based on the distribution of ARC program funds in the FY 1979 investment program, the state's program priorities are community development emphasizing basic economic development facilities, health, child development and education.
Abstract of Investment Program for Fiscal Year 1979

Georgia’s proposed FY 1979 investment program heavily emphasizes investments in construction of basic water, sewer and industrial park facilities directly related to economic development and employment opportunities. The FY 1979 program also proposes facilities construction for community infrastructure, including facilities serving multicounty areas. Investments in these construction program areas constitute 59 percent of the funding requests identified. Health and child development investments in new programs and continuations represent 30 percent of the funding requests. Investments in education amount to about 9 percent of funding requests while proposals for research, demonstrations and enterprise development amount to about 2 percent.

Georgia’s FY 1979 Investment Program consists of Priority Level I and II proposals. Priority Level I proposals including all continuations would require $5,449,268 in ARC assistance while Priority Level II requests would require $13,467,512. The total of all ARC funding needs for all proposed investment program components utilizing Area Development Allocation funds amounts to $18,916,730. Projected Local Development District administrative support is $434,000.

Summary of Fiscal Year 1979 Investment Program

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<tr>
<th>Proposed Funding</th>
<th>Number of Projects</th>
<th>ARC Funds</th>
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<tr>
<td>Adjusted Area Development Allocation</td>
<td>125</td>
<td>$18,916,780*</td>
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<td>Other Funding</td>
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<td>434,000</td>
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<tr>
<td>Total</td>
<td>126</td>
<td>$19,350,780</td>
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Note: Area development allocation as of October 1, 1978 is $7,832,900 (the current adjusted allocation is $7,837,118).

*represents 241 percent of adjusted area development allocation.

PROPOSED FISCAL YEAR 1979 ADJUSTED AREA DEVELOPMENT
ALLOCATION FUNDING AMONG PROGRAM AREAS

<table>
<thead>
<tr>
<th>Major Program Area</th>
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<td>Community Development</td>
<td>59%</td>
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<td>Health</td>
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<td>Child Development</td>
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<td>100%</td>
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Commonwealth of Kentucky
Appalachian Development Plan
and Investment Program

Appalachian Data and Development Trends

Appalachian counties: 49
Population (1977): 996,500
Employment (1977): 370,400
Unemployment rate (1977): 5.6%
Per capita income (1976): $4,330
Per capita income as percent of U.S. level (1976): 68%
Per capita income as percent of U.S. level (1970): 55%

Appalachian Kentucky is predominantly rural; only one-fifth of its people live in the five metropolitan or urban counties. In 1970 the U.S. Bureau of the Census classified only 21 percent of the population as urban. Between 1970 and 1977 population growth increased in the rural counties where coal is mined. Per capita income is the second lowest in the Appalachian Region but rose from 55 to 68 percent of the U.S. level between 1970 and 1976. The increase in per capita income was due in part to the rapid growth rate (34 percent) in employment during the period. Substantial hidden unemployment still exists in Appalachian Kentucky. However, unemployment rates are among the lowest in the Appalachian Region because of strong economic growth, particularly in the mining industry.

Abstract of Plan Objectives, Needs and Priorities for Fiscal Year 1979

Kentucky's three-year Appalachian development plan continues to serve as a major policy guide as well as an action-enabling document for implementing areawide economic development programs.
Section I of the plan provides a socioeconomic profile of Appalachian Kentucky with a discussion of data implications. Section II describes in broad terms the state's economic development program and in more specific terms Kentucky's overall ARC program. Section III discusses ARC program management responsibilities and the individual program components. The appendices provide socioeconomic data for Appalachian Kentucky, a discussion of local and regional issues identified in a series of public meetings conducted by the area development districts and the state's project application procedures.

The socioeconomic analysis reveals that eastern Kentuckians are better off economically than they have ever been. Population is increasing, personal income is on the rise, employment is expanding and the proportion of the population subsisting on below-poverty-level incomes is dropping. Yet, the plan notes that this recent prosperity is directly tied to an expanding coal industry, an industry whose social and economic costs to the region's residents have been high and an industry shadowed by economic uncertainty.

Presently, eastern Kentucky residents do not have access to the variety of occupational choices or to the possibilities of maximizing personal income that residents in the balance of the state enjoy. They are faced with a severe shortage of decent and safe housing, a problem compounded by expanded coal production and by disastrous floods. Their water and waste disposal systems are inadequate or nonexistent. Their local recreation facilities are inadequate. They are confronted with a health manpower shortage in the region and service delivery gaps. They need more job-relevant education training. Their major and secondary roads are deteriorating rapidly from the continuous transport of heavy coal loads. While Appalachian Kentucky appreciates the fact that the region is experiencing renewed prosperity from a boom in the coal industry, it is concerned about the day the coal runs out or when the demand for coal drops.

Kentucky's ARC program goal focuses on this situation. It calls for the economic development of eastern Kentucky through the expansion and diversification of private and long-term employment opportunities of a quality and quantity capable of moving regional residents in a position of socioeconomic parity with the rest of the state's citizens.

To achieve this general goal of economic development, Kentucky will focus on an enterprise development strategy that involves putting into place the sites required for employment to expand and the community infrastructure needed to make the region more habitable for present and future residents. Specific development objectives are:

1. to support coal-producing activities by encouraging development of housing and supportive community services, particularly in areas heavily impacted by coal mining activities

2. to develop six marketable, multicity industrial sites (and indicated support services) that can provide job diversification and a viable
economic base once new energy sources are developed or coal is no longer in demand (In addition to the Corbin and Mt. Sterling sites, which are underway, sites are contemplated for Ashland, Somerset, Richmond, Jackson-Hazard and the Prestonsburg-Paintsville-Pikeville area).

- to assist individual communities with industrial site development that is deemed marketable
- to assist and encourage expansion and development of the region's existing economic base -- agriculture, handcrafts, timber, coal, tourism, industry and commerce
- to act as an advocate for Appalachian Kentucky in seeking solutions to its development problems
- to refine the Kentucky ARC program management system, especially encouraging areawide action programming by the development districts and providing support through the community development technical assistance liaison and the project control and evaluation program efforts
- to conduct such research and studies as are indicated to promote more effective program management and project implementation.

While stressing the long-term purpose of economic development, the state will begin with short-term actions that will serve residents by strengthening their communities. Short-term efforts will include selective investments in housing, health care services, access roads, water and waste disposal systems, site development and similar steps toward a longer-range goal of human viability and permanency through diversification and expansion of the region's employment opportunities.

In FY 1979, Kentucky anticipates major application of its ARC area development allocation to identify problem situations in the areas of enterprise development, community facilities, housing and health and child development. Minor program areas -- so designated because needs appear to be of lesser urgency or because problems show promise of solution through other channels -- include education, transportation and natural resources.

In the area of enterprise development the plan places emphasis on: (1) assisting in the development of at least four industrial sites; (2) encouraging expansion of commercial enterprises, including tourism, agribusiness, handcrafts and such other enterprises as may be complementary to local job development efforts; and (3) assisting coal production activities by encouraging development of housing and other community support services in areas heavily impacted by coal mining activities.

Housing activities will focus on meeting demands resulting from energy-related employment and demonstration programs to develop innovative approaches to housing programs.
In the area of community facilities, the state will concentrate on developing communities that have significant potential for long-term development and job diversification and supporting programs aimed at redevelopment of flooded and flood-prone areas.

The state's health program will focus on a number of activities including primary care, emergency medical services, preventive services, secondary care centers, health planning and home health services. Major emphasis will be on implementing "The Plan for Primary Care in East Kentucky" which was prepared by East Kentucky Health Systems Agency, Inc. (EKHSA) and is considered an attachment to Kentucky's Appalachian development plan. No primary care proposal will be supported unless the need and feasibility of the proposed primary care services is documented through a community analysis study such as that described in the EKHSA primary care plan (Chapter V).

Child development activities will be directed primarily to developing a statewide plan for children's services and assisting in the expansion and development of child care centers on a regional basis. The plan stresses making maximum use of scarce resources to build systems for delivery of health and child care services that contribute to the overall economic development of an area.

Vocational education programs in Appalachian Kentucky will receive lesser emphasis in terms of ARC assistance because of substantially increased state support. Gaps identified in the areawide action programming process will likely be identified by the districts for priority consideration for ARC assistance. The education goals identified in the plan complement the state's overall economic development goal. Generally, they address the need to plan and implement programs designed to make education delivery more efficient in areas of critical manpower needs. At the state level priority consideration will be given to proposals that are integral parts of broader regional development programs that can demonstrate local support, that involve cooperative funding with other agencies and that can become financially self-sufficient once ARC funding is no longer available.

Kentucky's role with regard to natural resources will be one of advocacy and support to established state and federal programs that assist in developing, enhancing, and protecting eastern Kentucky's natural resources. Selective funding will be considered for projects that are directed to this end.

In the area of transportation, Kentucky's priorities focus on completion of the corridor system and access road projects that clearly support the state's enterprise development strategy.

The plan identifies three criteria that apply to all projects to ensure that they "...enhance prospects for enterprise development." These are:

- that they be directed to project components of a sequenced program of areawide economic development
that they be concentrated in areas showing strong promise for permanent long-term growth in jobs and the tax base, and

that they be applied in such a way as to obtain maximum leverage from available public and private funding sources.

The plan also identifies a hierarchy of urban services centers (growth areas). The plan does make reference to the fact that the Kentucky Development Cabinet's Office of Development Planning is conducting a study to develop a framework for analyzing the anticipated and actual impact of economic expansion programs on localities, the state and subregions of the state. The outcome of this effort may influence future designation of growth areas in eastern Kentucky, as well as in the rest of the state. The Office of Development Planning anticipates that this study will be useful to the ADDs in making growth area designations in the AAP process and in the scheduling of future investments for growth.

The Kentucky Appalachian Development Council created on June 21, 1978 by Governor Julian M. Carroll is to be an advisory body to the Kentucky Development Cabinet, the Office of the Governor and the Economic Development Commission. The Council is charged to formulate an overall strategy to alleviate the problems which are presently restricting economic development in Kentucky Appalachian. Such strategy is to be reflected in future revisions and refinements of the state plan beginning in August of 1979 when the Council shall have completed its 12-month follow-up program to the Kentucky Appalachian Development Conference and presents an action document for legislative consideration.
Abstract of Investment Program for Fiscal Year 1979

Kentucky's FY 1979 investment program is submitted in accord with Section 200A-6.3 of the ARC Code by letter dated November 15, 1978, from Governor Julian M. Carroll. Enterprise development, housing, community facilities and health and child development are identified as major programs for investment of funds from Kentucky's area development allocation in FY 1979 while education, transportation and natural resources remain as minor program areas for ARC investment purposes.

Summary of Fiscal Year 1979 Investment Program

<table>
<thead>
<tr>
<th>Proposed Funding</th>
<th>Number of Projects</th>
<th>ARC Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted Area Development</td>
<td>71</td>
<td>$15,298,875*</td>
</tr>
<tr>
<td>Other Funding</td>
<td>13</td>
<td>1,692,000</td>
</tr>
<tr>
<td>Total</td>
<td>84</td>
<td>$16,990,875</td>
</tr>
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</table>

Note: The current adjusted area development allocation is $9,913,296.

*represents 15% percent of the adjusted area development allocation.

PROPOSED FISCAL YEAR 1979 ADJUSTED AREA DEVELOPMENT ALLOCATION FUNDING AMONG PROGRAM AREAS

<table>
<thead>
<tr>
<th>Major Program Area</th>
<th>Percent of Total Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise Development</td>
<td>20%</td>
</tr>
<tr>
<td>Housing</td>
<td>17</td>
</tr>
<tr>
<td>Community Facilities</td>
<td>35</td>
</tr>
<tr>
<td>Health</td>
<td>12</td>
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<tr>
<td>Child Development</td>
<td>2</td>
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<tr>
<td>Education</td>
<td>9</td>
</tr>
<tr>
<td>State Management Research and Demonstration</td>
<td>5</td>
</tr>
</tbody>
</table>

100%
State of Maryland
Appalachian Development Plan
and Investment Program

Appalachian Data and Development Trends

Appalachian counties: 3
Population (1977): 215,100
Population change (1970-1977): 2.8%
Employment (1977): 80,800
Unemployment rate (1977): 10.9%
Per capita income (1976): $5,349
Per capita income as percent of U.S. level (1976): 84%
Per capita income as percent of U.S. level (1970): 84%

The three western Maryland counties, the smallest Appalachian state region in land area and population, contrast sharply with the metropolitan counties of the state. Western Maryland is characterized by modest income levels and slow growth, while the metropolitan counties around Washington, D.C. and Baltimore have high income levels and rapid growth. Although Garrett County had the highest population growth in Appalachian Maryland (nearly 21 percent from 1970 to 1977), it also had a high unemployment rate (11.3 percent) in 1977. The 1977 unemployment rate of 10.9 percent in Appalachian Maryland was the highest for any Appalachian state in the Region. Growth in per capita income in Appalachian Maryland has been steady since 1970; while it was slightly below average for the Region as a whole, it was greater than the national rate over the most recent years.

Abstract of Plan Objectives, Needs
and Priorities for Fiscal Year 1979

Maryland has submitted a new plan as the basis for funding its FY 1979 development program. This plan was developed by the Maryland Department of Economic and Community Development with the assistance of the Tri-Council of Western Maryland; the Regional Education Service Agency of Appalachian Maryland; the Health Systems Agency; the Health Planning Council; and the Maryland departments of education, health and mental hygiene, human resources,
natural resources, state planning and transportation. Maryland's FY 1979 plan also represents a planning and investment approach that reflects key interrelationships among the Tri-County Council's areawide action program, the health systems statement of the Health Planning Council, and the FY 1979 Maryland investment program. The results of this coordinated effort is the plan's overall investment strategy. A discussion of the prioritization of specific categories of investments and the approach used to prioritize projects within those categories is contained in this chapter. The justification of programs and projects can be determined from the detailed supporting material contained in the areawide action program, the supporting health systems plan and other attachments to the plan. Maryland intends to update the plan annually.

In developing its FY 1979 plan, Maryland has implemented procedures to ensure that the public has an adequate opportunity to participate in its planning process. Maryland submitted a statement demonstrating how its procedures complied with the minimum requirements of Section 200A-2.4 of the ARC Code. The submitted statement and the public participation process is comprehensive and serves as a usable method of bringing state and regional planning to its constituents.

Programs and projects that will help achieve the goal of enhancing Maryland's economic and social vitality and viability will receive greater emphasis. Major program emphasis will be on transportation and economic and community development which will focus on the completion of the national freeway corridor, expansion and upgrading of infrastructure facilities, and investments needed to capitalize on the growth potential in energy and tourism. Minor program emphasis in order of priority will be human services (education, child development and health), housing and natural resources. The most critical factor affecting further development of Appalachian Maryland is the completion of U.S. 48. Its completion will receive highest priority of all projects in the FY 1979 investment program. This east-west link will improve access and increase the opportunity for economic development.

Individual program areas are related to the state's goal to enhance the region's economic and social vitality and viability. Through economic development and improved transportation systems, the state plans to stimulate more growth and development. To accomplish this end, Maryland proposes to define and develop its housing, and community infrastructure as well as provide increased community health and education sources through an investment strategy centered around the expansion of economic opportunities and completion of the national freeway corridor.

The transportation section of the plan reflects the state's position that one of the most important factors in the development of Appalachian Maryland is transportation. Improved access would require an interrelated network of both primary and secondary highways within the region. A full range of rail service would also improve economic vitality by maintaining services to existing industries and becoming the impetus for attracting new industry. With coal output increasing,
the railroads will become even more important to the region and the state. In addition, it is essential to upgrade and expand airport facilities if western Maryland is to become more economically viable.

In the section on economic and community development, Appalachian Maryland still depends upon large-scale manufacturing and growth in wholesale/retail, service and government sectors for its economic viability. Manufacturing, however, is declining in importance with increases taking place in the wholesale and retail trade, services and government sectors. Their growth will be somewhat slower given their dependence upon manufacturing. Coal mining and tourism represent new boom industries in Maryland's future. New and expanded mining, particularly in Garrett County, is expected to triple the number of persons employed in mining within five years. Maryland anticipates a number of investments will be made in conjunction with the opportunities associated with new mining activities in the upper Potomac area. Consistent with statewide trends the nonmetropolitan areas of the state are growing. This growth, however, is very slow as outmigration, high unemployment and low income continue to be chronic problems.

Human services in the 1979 plan is limited to areas of education, health and child development. All of them suffer from problems traditionally common to rural areas such as a lack of professionals, isolated and hard to reach clientele, and a scarcity of resources. Overall the human service area received third priority after transportation and economic development. Western Maryland continues to experience problems with the inequitable distribution of health manpower with concentrations in urban areas while rural areas experience shortages. Health investments will be made that concentrate on overcoming this basic problem. Increasing the availability of preventive care services is one key to overcoming inefficiencies in the health delivery system.

Many of the education requirements parallel those of health such as increasing the number of professionals and professional education opportunities, overcoming isolation and limited resources. Other specialized problems that need to be alleviated by investments include community service demonstrations, staff development and in-service training; public service communications; vocational education/manpower development; curriculum improvements; facilities and equipment for specialized training and programs. Conservation and wise use of educational resources is also a challenge that will begin to be surmounted by increasing vocational and career counseling services.

Historically, Maryland's child development program has focused on providing comprehensive child development centers for day care of children up to six years of age. As a result of these investments the current direction of the state's child development program can be facilitated, particularly to meet the need for more specialized services for children from birth to three years of age. Thus, the child development strategy will emphasize serving the needs of children possessing special problems such as physical handicaps and learning disabilities.
Low family income and a slow rate of population growth have contributed to the conditions of Maryland's housing supply. A low vacancy rate, a high percentage of owner occupied housing and a high percentage of older, substandard or overcrowded dwellings characterize the housing in western Maryland. If the state is to achieve one of its primary goals of attracting new industry and future employees, its housing stock will have to be expanded. The existing stock of housing limits new employee choice and discourages potential commercial and industrial development. It is therefore Maryland's goal to increase the supply, choice and condition of the housing stock to meet the demand of current and future residents. This will be accomplished by efforts to stimulate the production of housing by providing increased financial assistance.

The natural resources section of the plan focuses on water quality, open space and air quality. Water and air quality are critical to the further development of Appalachian Maryland's economy. Open space development presents an opportunity for growth without severely degrading the region's natural beauty. The goal of the state's natural resource program is to maintain acceptable environmental standards without inhibiting economic development.

The plan's locational strategy adheres to an existing system of primary and secondary growth centers as well as special development opportunity areas located outside of existing growth areas. The most promising development opportunity is in the upper Potomac area of Garrett County near Kitzmiller and Gorman. This area is expected to undergo rapid economic growth as a result of increased coal mining activity.
Abstract of Investment Program for Fiscal Year 1979

Maryland's FY 1979 investment program indicates a shift in priorities, with an increasing emphasis on community development investments and lesser emphasis on health, child development and education compared to last year's program. In FY 1979, 69 percent of the available area development allocation funds are requested for community development proposals as compared to 52 percent in FY 1978. Health, child development and educational investments for FY 1979 represent 27 percent of such resources as compared to 41 percent in FY 1978.

Summary of Fiscal Year 1979 Investment Program

<table>
<thead>
<tr>
<th>Proposed Funding</th>
<th>Number of Projects</th>
<th>ARC Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area Development</td>
<td>38</td>
<td>$14,491,655*</td>
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<tr>
<td>Other Funding</td>
<td>7</td>
<td>$2,632,100</td>
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<tr>
<td>Total</td>
<td>95</td>
<td>$17,123,755</td>
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Note: The current adjusted area development allocation is $4,155,755.

PROPOSED FISCAL YEAR 1979 ADJUSTED AREA DEVELOPMENT ALLOCATION FUNDING AMONG PROGRAM AREAS

<table>
<thead>
<tr>
<th>Major Program Area</th>
<th>Percent of Total Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Development and Housing</td>
<td>70%</td>
</tr>
<tr>
<td>Health</td>
<td>16</td>
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<tr>
<td>Education</td>
<td>9</td>
</tr>
<tr>
<td>Enterprise Development</td>
<td>2</td>
</tr>
<tr>
<td>Child Development</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

*represents 341 percent of the adjusted area development allocation.
State of Mississippi
Appalachian Development Plan
and Investment Program

Appalachian Data and Development Trends

Appalachian counties: 20
Population (1977): 455,000
Employment (1977): 183,900
Unemployment rate (1977): 7.2%
Per capita income (1976): $4,349
Per capita income as percent of U.S. level (1976): 68%
Per capita income as percent of U.S. level (1970): 61%

Appalachian Mississippi is predominantly rural and has no metropolitan counties. In 1970, 62 percent of its population was classified as dispersed. Per capita income is among the lowest in the Appalachian Region and had the second slowest growth rate between 1970 and 1976. Despite this, Appalachian Mississippi witnessed rapid immigration between 1970-77. Employment growth has increased since 1970, particularly in manufacturing and trade. The unemployment rate was slightly above U.S. averages in 1977.

Abstract of Plan Objectives, Needs and Priorities for Fiscal Year 1979

Mississippi's 1979 state Appalachian development plan provides the basis for its Appalachian development program. The State of Mississippi has continued with the development of a state planning process drawing on the Governor's Office of Planning and Coordination with the assistance of the Research and Development Center and including a uniform planning process for use in the state's ten planning and development districts, including the Appalachian local development districts. One of the conclusions of this planning process is that conditions within the Appalachian portion of Mississippi have not changed appreciably during the past year and that major changes in the Appalachian development plan are therefore not necessary at this time. The state is, however, adding new program emphasis in the
areas of agriculture and the Appalachian educational satellite program. As the Appalachian state development planning process continues, updating of the social, economic, and demographic characteristics of the Mississippi Appalachian area will be completed and there will be major revisions of several program areas including housing and community development and enterprise development. The three local development districts with a majority of their counties in the Appalachian Region will develop areawide action programs during FY 1979 and these plans, with their priorities, will become an integral part of the total planning process as defined in the 1980 plan.

The broad statewide goals enunciated by the Governor are: (1) to increase opportunities and amount of income; (2) to improve health care and put it within reach of citizens; (3) to provide decent subsistence for those who cannot provide for themselves; (4) to provide the best possible living conditions; (5) to operate every program at maximum effectiveness with lowest possible cost; and (6) to make it easier for the succeeding Governor to build upon what has started.

In order to help achieve these broad state goals, a number of more specific functional goals, objectives, and strategies have been established for the Appalachian program. In the area of transportation, the state will continue to stress completion of its four-lane corridor system and development of access roads to industrial sites and to areas where access has been impaired by construction of the Tennessee-Tombigbee Waterway. Emphasis continues to be placed on formulation of a state port development policy and long-term strategies for rail services.

Education goals and objectives continue to focus on improving the math and reading skills of the Region's children, improving vocational-technical education facilities and services, developing and implementing career and adult basic education programs, and providing grant assistance to higher education institutions. For FY 1979 a new goal is established to provide the educational benefits of the Appalachian education satellite program (AESP) to all citizens of the Region. This is to be accomplished through the continued operation of the satellite resource centers in each of the area's three junior colleges while expanding their outreach capabilities.

The state's overall health strategy is oriented toward noninstitutional services, with an emphasis on preventive health care. The priority accorded to building an infrastructure, rather than experimenting with new approaches to delivery of care, is being continued in FY 1979.

Child development program objectives continue to focus on administrative concerns (i.e., completion of a needs assessment and establishment of a comprehensive planning process). In addition, a demonstration program for family day care projects has been proposed for those counties which do not currently have an operating ARC child development program. This is based on the belief that the family day care concept can be developed at the minimum cost while providing an opportunity for a great degree of community involvement. Emphasis also is placed on the development of mini-day care centers at the area's institutions of higher education where curricula have been developed for child development technicians.
and specialists, thereby enabling such centers to serve as learning laboratories for students enrolled in child development programs.

Housing objectives for FY 1979 include presenting legislation for a state housing authority and providing financial and technical assistance to encourage the rehabilitation of existing substandard units and more particularly construction of new housing units.

Community development objectives include the provision of water and sewer facilities, libraries, recreation facilities and solid waste collection and disposal systems. Emphasis in FY 1979 will continue to be on those water and sewer projects which are necessary for the continued development of growth areas and are necessary to eliminate a documented health problem.

Mississippi's industrial development program analysis identifies an industrial acreage absorption rate of approximately 300 acres per year based on the actual establishment of 129 new industries in the 20-county area from 1970 through June 1976. Enterprise development data in the appendix shows that furniture, upholstered furniture, furniture dimension stock, apparel and mobile homes were important throughout the period while foam products, fabricated metal buildings, modular home units, tires, printing, electric motors, gasoline engines, auto parts and plastic pipe were introduced in the latter part of the period. It is anticipated that these types of activities will continue to offer the greatest potential for new and expanded industry. Technical assistance will continue to be provided to industries and communities in Appalachian Mississippi and emphasis will be placed on formulating a strategy for initiating and completing the development of industrial parks and sites in the Appalachian portion of the state. In addition, emphasis will be placed on the development of a demonstration program to assist the small farmer of Mississippi Appalachia by providing both management and technical assistance to small farm operators.

The state's environment, natural resources and energy goals focus on pollution abatement, development and effective utilization of the area's abundant natural resources, increased energy production and conservation of scarce energy resources.

Mississippi's overall Appalachian strategy continues to place emphasis on concentrating ARC investments in those areas that will be impacted by the Tennessee-Tombigbee Waterway, while simultaneously developing and implementing programs designed to promote economic stability throughout the 20-county region. This approach calls for a flexible mix of investment tools that enables the Governor to respond quickly to development opportunities and other economic situations as they occur in the region.

To assure the best use of limited funds through the Appalachian regional development program, the plan establishes criteria to assure that investments made will be concentrated in areas where there is a significant potential for future growth and where the expected return on public dollars will be greatest and in programs and projects which will improve on a continuing rather than a temporary
basis the opportunities for employment, the average level of income and the economic and social development of the area served. The state's strategy in developing the growth area criteria is to identify those communities or clusters of communities that have one or more economic activities that have shown signs of sustained growth over a period of time and that could be reinforced to create capacity for further development in the Region. Among the factors used to identify growth areas are: (1) migration; (2) population change; (3) increase in employment; (4) change in income; (5) industrial expansions and locations; (6) increase in sales; (7) change in assessed value of property; and (8) incommuting patterns. Using these criteria, primary and secondary growth areas are identified.

Hinterlands surrounding growth centers are identified through a number of criteria including incommuting patterns, availability of educational facilities, highway linkages, and availability of professional and governmental services. Work is underway to refine the criteria for growth area designations as part of the state planning process and the district areawide action planning process. To permit the concentration of investments in certain areas not included within designated growth areas, new criteria for special development opportunities are included in the plan. The criteria, focusing particularly on the Tennessee-Tombigbee Waterway opportunity, include the requirement that there be a comprehensive plan and capital improvements program, zoning ordinances, subdivision regulations, and other measures to protect the investment being made; a potential for the creation of long-term jobs and benefits to the area; and specifically identified impact by the waterway development. A broadened set of criteria for special development opportunities will be developed over the next year.

In addition to locational and concentration factors, ability-to-pay and cost-effectiveness criteria are applied by the state in making Appalachian investments. The ability-to-pay criteria follow the provisions of the ARC Code and grant application guidelines. The cost-effectiveness criteria include measurement of direct benefits such as new employment opportunities, increased personal income, tax base expansion, and improved health and education services. Priority is given to projects which are regional in nature and can be fully supported by the community or region when Commission support diminishes.

The Division of Appalachian Development in Tupelo, Mississippi is responsible for the administration of the Appalachian Regional Commission program in Mississippi. The division is assisted in preparing the annual Appalachian development plan by the recently established Office of Planning and Coordination. The Division of Appalachian Development coordinates its planning activities with the Office of Planning and Coordination in order to maintain consistency with the overall goals and policies established by the Governor. The Division of Appalachian Development and the Office of Planning and Coordination work closely with the planning and development districts in preparing areawide action programs. The areawide action programs are utilized in formulating goals, objectives, priorities and policies for the state Appalachian development plan and in developing the annual implementing investment program. Public participation in the planning process is provided through a series of public meetings held by the districts in each of the counties with the assistance of the Division of Appalachian Development and the Office of Planning and Coordination.
Abstract of Investment Program
for Fiscal Year 1979

Mississippi's FY 1979 investment program is submitted in accord with Section 200A-6.3 of the ARC Code by letter received January 3, 1979, from Governor Cliff Finch. The program reflects the people's goals and ambitions for making the 20-county Appalachian region of the state a better place to live, work and visit.

The 1979 program emphasizes investments in education and community development. These two areas account for 72 percent of the total dollars.

Summary of Fiscal Year 1979 Investment Program

<table>
<thead>
<tr>
<th>Proposed Funding</th>
<th>Number of Projects</th>
<th>ARC Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted Area Development Allocation</td>
<td>75</td>
<td>$13,394,304</td>
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<tr>
<td>Other Funding</td>
<td>5</td>
<td>6,495,500</td>
</tr>
<tr>
<td>Total</td>
<td>80</td>
<td>$19,884,804</td>
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Note: The current adjusted area development allocation is $6,132,897.

*represents 227 percent of the adjusted area development allocation

PROPOSED FISCAL YEAR ADJUSTED AREA DEVELOPMENT ALLOCATION FUNDING AMONG PROGRAM AREAS

<table>
<thead>
<tr>
<th>Major Program Area</th>
<th>Percent of Total Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>44%</td>
</tr>
<tr>
<td>Community Development</td>
<td>28%</td>
</tr>
<tr>
<td>Health</td>
<td>10%</td>
</tr>
<tr>
<td>Child Development</td>
<td>7%</td>
</tr>
<tr>
<td>Industrial Development</td>
<td>6%</td>
</tr>
<tr>
<td>Program Management and</td>
<td></td>
</tr>
<tr>
<td>Small Farm Demonstration</td>
<td></td>
</tr>
<tr>
<td>Housing</td>
<td>2%</td>
</tr>
</tbody>
</table>

100%
State of New York
Appalachian Development Plan
and Investment Program

Appalachian Data and Development Trends

Appalachian counties: 14
Population change (1970-1977): 2.4%
Employment (1977): 426,100
Unemployment rate (1977): 8.5%
Per capita income (1976): $5,465
Per capita income as percent of U. S. level (1976): 85%
Per capita income as percent of U. S. level (1970): 92%

Seventy percent of Appalachian New York's population is concentrated in the seven counties from Binghamton to Lake Erie along the Pennsylvania border. Almost all population growth since 1970 occurred in the other seven counties bordering the Finger Lakes and extending east into the Catskills. Overall, total population growth from 1970 to 1977 was the second slowest in the Appalachian Region (with metropolitan counties showing a slight decline). In recent years Appalachian New York has experienced net outmigration. Unemployment rates are high. In 1977 the rate was second only to Appalachian Maryland. The highest rates exist in rural counties where unemployment often exceeds 10 percent. Per capita income in 1976 was the third highest in the Region. Yet, between 1970 and 1976 Appalachian New York's per capita income fell from 92 to 86 percent of the U. S. level.

Abstract of Plan Objectives, Needs
and Priorities for Fiscal Year 1979

For FY 1979 New York has submitted a statement, "Review of New York State Plan of Record for Use in Fiscal Year 1979 Investment Program," which reaffirms the continued applicability of the Plan of Record in accordance with the provisions of Section 200A-6.2 of the ARC Code. The submission includes statistical updating.
of data pertaining to per capita income, unemployment, labor force, and the number and size of industries in New York's fourteen-county region. Overall the plan provides a description of the social, economic and physical situation in Appalachian New York. The most comprehensive needs data are provided for health, child development and education program areas. Population and employment trends through 1975 are briefly discussed, as well as the impact of energy, climate and flooding on the region's development. The role of agriculture and transportation are also broadly discussed.

The state's program emphasis is: (1) to fund physical development projects which support existing and new industrial employment; (2) to give special attention to projects needed to retain jobs as a result of "agreements" between jurisdictions and industries, while also emphasizing projects solving multiple problems; and (3) to continue to fund previously approved human services projects which will be financially self-sufficient and attain objectives while emphasizing new projects having greatest potential impact on total community infrastructure and to fund health care activities in medically underserved areas.

New York's emphasis is on those programs which will result in retention and/or creation of jobs. The strategy is to fund those projects which have the greatest potential in terms of creating or retaining jobs, making investments in areas where ARC funds can be used for leverage in obtaining other funds and making investments in areas where projects relate in scope to one another. The plan establishes a project selection system, which is used by the districts as well as the New York Department of State. The system uses ten indicators that measure on a point scale a project's relevance to job creation or retention and quality of life.

The state's locational strategy for investments includes designating growth areas and centers, a policy regarding special development opportunities and a policy for making investments in infrastructure in small communities, where the loss of industrial jobs that are dependent on agriculture and/or resource development in the service area (hinterland) would have irreversible economic consequences. In large part, the policies regarding growth areas are identical to those of the 1977 plan. The state reiterates a list of growth areas and centers approved in 1971 as part of a 20-year plan. These centers are categorized as primary centers, secondary centers and "other growth centers." The plan further provides a series of criteria or standards by which investments would be considered outside specifically designated growth centers or justified as special development opportunities.

The increasingly responsible role of the local development districts (LDDs) in the overall decision-making process is affirmed. The districts have been given a major role of setting project priorities for their respective areas, assessing problems and solutions, working with local groups and undertaking areawide action programs. The areawide action plan will form the basis, along with state research, for setting priorities in the New York Appalachian program in the future and will act as a major input to the state planning process for New York Appalachian programs and other programs. The further strengthening of the LDD role and a strong level of
citizen participation is a major goal which goes beyond the Appalachian program in scope. The New York Department of State, in a joint effort with the LDDs, has held public meetings in the Appalachian area to explain the program and obtain local comments. These meetings will be repeated and will seek public comments on the Appalachian planning for the region. Joint state and LDD meetings are held frequently and these opportunities to interchange ideas about the program will continue.

New York's Appalachian development goals are: (1) to retain existing jobs; (2) to create new jobs; and (3) to strengthen the economic climate. To achieve these broad goals it is the state's strategy to make investments and give priority to projects which strengthen the industrial sectors, for example, developing industrial parks, providing services to industrial parks, protecting industrial parks from flooding, assuring energy requirements and implementing programs to reduce energy consumption. Further, the strategy is to give priority consideration to investments where "immediate" results can be assured. Secondly, community development investments are of high priority when aimed at the major goal of job retention and creation as well as promoting improvement in the physical infrastructure. Finally, the state's strategy is to make necessary health, child development and education investments which improve the quality of life and make the 14 Appalachian counties competitive with the rest of the state and nation as a place to live.

While there is no specific program priority, objectives are to be achieved by investments in enterprise development, agriculture, transportation, energy, housing, flood control, recreation, tourism, cultural development, community facilities and human resource development. Projects to retain and create jobs will receive the major emphasis.

The housing policies include: the desirability of continuing to provide single family dwellings; the fact that housing is becoming too expensive for the average person to afford; program emphasis on rehabilitation; program emphasis combining the provision of housing for low- and moderate-income individuals with expensive housing for the executives of potential new industries; and program emphasis on environmental health and alleviating local financial burdens in conjunction with housing development.

It is New York's policy in regard to community development projects to place primary emphasis on those projects which have a direct impact on the retention of existing jobs and secondly the creation of new jobs which make community development and enterprise development programs major program areas. The state objective to accomplish this goal is first to assure that public utilities such as water and sewer facilities are available to existing industrial sites. Secondly, to assure that industrial sites and their needed infrastructure are available for: (1) accommodate new jobs; (2) accommodate redevelopment of a community's job base; and (3) relocate existing local jobs from areas with adverse physical characteristics.
to new sites. Special emphasis is also placed on projects that demonstrate a linked investment in a particular growth area where they are mutually reinforcing to the completion of a community's economic development program. Community facility investments under the ARC program will include public utilities, water control structures and systems, solid waste disposal systems and sites, resource recovery systems and facilities for flood control.

Enterprise development investments that are related to community development will be promoted through development of public utilities, transportation facilities, flood protection, new industrial sites and interior redevelopment of older buildings.

Local recreation and cultural facilities are recognized as important factors in retaining or attracting people to various areas and are viewed as activities that are required for a productive and enjoyable life. Financing local recreational and cultural projects, including community libraries, performing arts facilities, parks and museums will be considered for ARC assistance in exceptional circumstances related to a community's economic development program. Further, tourism is recognized in the plan as a secondary investment program. Where it can be demonstrated that further development is cost effective, ARC funding will be considered for tourist-oriented recreational and cultural development projects. The plan places special emphasis on strengthening existing recreation and cultural development programs.

New York's child development component states that the mission of its Appalachian child development program is to assist local organizations, both public and private, in identifying and articulating needs and deficiencies related to services for children, developing realistic programs to address them and integrating these programs into the social and economic plans and priorities for which a community is willing to spend money. Child development investments across Appalachian New York have been impacting underserved areas by enabling local communities to firmly establish a wide variety of needed services for young children and their families. During the past year a series of approaches were utilized in determining current need in the three subregions of Appalachian New York. These include:

- analysis of available statistical data and comparison with established norms
- development of community consensus through local meetings and other contacts
- analysis of service plans in related fields
- consultation with informed service providers
- contacts with public officials and committees and
- attendance at local, state and national professional meetings.
These approaches have identified the need for day care; child protective services; early screening, diagnosis and treatment; and adolescent parent services.

The education section details needs, objectives and investment strategies for secondary and postsecondary vocational education; areawide demonstration projects in adult education and career education/guidance; and plans in other program areas—Appalachian communications plan, library information services and school health education and services.

The goals established for health investments flow from the four basic elements of Governor Carey's health program as stated in his special message to the Legislature in February 1976:

- emphasis on preventive health care
- deinstitutionalization of our system of care
- better utilization of existing resources
- a more ethical and equitable health care system.

The thrust of the Appalachian health program has been and will continue to be very closely in tune with these goals. The emphasis on availability and accessibility of ambulatory care services and home health services, the encouragement of innovative approaches to health care delivery; the effort to achieve optimum utilization of health manpower and the attention given to coordination of planning and program development activities with the various local, regional, state and federal agencies concerned with health needs—all of these elements serve to implement the four stated goals.

Emphasis is placed upon the continuing need for primary health care services in the Appalachian region. There continues to be a shortage of physicians in the area, and parts of the region are without primary health care facilities. The goals this year are to fund those projects that address these gaps in services and to encourage physicians to practice in rural New York and remain there after ARC funds are withdrawn. In addition, emphasis will be placed on innovative health projects such as emergency medical services, the continued use of physician assistants and nurse practitioners in the region.
Abstract of Investment Program
for Fiscal Year 1979

New York's FY 1979 investment program reflects a substantial increase in emphasis on community development investments over last year's program. Investments in health, child development, and natural resources are relatively the same as last year. Education investments have increased slightly.

Summary of Fiscal Year 1979 Investment Program

<table>
<thead>
<tr>
<th>Proposed Funding</th>
<th>Number of Projects</th>
<th>ARC Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted Area Development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allocation</td>
<td>125</td>
<td>$14,686,975*</td>
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<tr>
<td>Other Funding</td>
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<td>4,934,763</td>
</tr>
<tr>
<td>Total</td>
<td>130</td>
<td>$19,621,738</td>
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</tbody>
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Note: The current adjusted area development allocation is $7,934,622.

PROPOSED FISCAL YEAR 1979 ADJUSTED AREA DEVELOPMENT ALLOCATION FUNDING AMONG PROGRAM AREAS

<table>
<thead>
<tr>
<th>Major Program Area</th>
<th>Percent of Total Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Development and Housing</td>
<td>51.1%</td>
</tr>
<tr>
<td>Education</td>
<td>12.5%</td>
</tr>
<tr>
<td>Child Development</td>
<td>9.7%</td>
</tr>
<tr>
<td>Health</td>
<td>9.1%</td>
</tr>
<tr>
<td>Energy-Natural Resources</td>
<td>9.5%</td>
</tr>
<tr>
<td>Enterprise-Development</td>
<td>3.7%</td>
</tr>
<tr>
<td>Transportation</td>
<td>3.5%</td>
</tr>
<tr>
<td>Research and Development</td>
<td>.9%</td>
</tr>
</tbody>
</table>

*represents 185 percent of the adjusted area development allocation.
State of North Carolina
Appalachian Development Plan
and Investment Program

Appalachian Data and Development Trends

Appalachian Counties: 29
Population (1977): 1,130,600
Population change (1970-77): 8.8%
Employment (1977): 517,200
Unemployment rate (1977): 5.6%
Per capita income (1976): $6,025
Per capita income as percent of U.S. level (1976): 84%
Per capita income as percent of U.S. level (1970): 79%

The population in Appalachian North Carolina is scattered among many very small towns and cities. In 1970 only 39 percent of the population was clustered in cities of 1,000 population or more compared to a national average of 78 percent. Population growth since 1970 has occurred primarily in the nonmetropolitan areas of the state. Unemployment was one of the lowest of any Appalachian portion of a state in 1977. The unemployment rate exceeded the national average (7.7 percent) in only 5 of the 29 Appalachian counties. Per capita income rose rapidly from 79 percent of the U.S. average in 1970 to 84 percent of the U.S. average in 1976. However, the level of per capita income varies widely among the Appalachian counties, from above the U.S. average in Forsyth County to 58 percent of the U.S. average in Madison County.

Abstract of Plan Objectives, Needs and Priorities for Fiscal Year 1979

In North Carolina the balanced growth policy development process is continuing. In 1978 the state Appalachian development plan, formulated as part of the overall process, complemented by planning and policy development activities for the Appalachian Region of the state, was submitted as an interim document consisting of two parts. Part I dealt with a balanced growth policy for the entire state, including the Appalachian portion, while Part II presented the FY 1978 investment policy for the Appalachian portion alone. The
planning process including state agency, district and extensive public participation has affirmed the continuing applicability of the presently documented policies, data and programs which provide a basis for North Carolina Appalachian investments in FY 1979. The state has therefore submitted its FY 1978 state Appalachian development plan as the plan for FY 1979 in accordance with Sections 225 and 303 of the Act and Section 200A-6 of the Code. The 1979 implementing investment program presents the proposed FY 1979 projects designed to carry out the strategies and priorities identified in the plan. The 1979 plan continues as an interim document. As part of the balanced growth policy process for the state and the Appalachian planning for the Appalachian Region, consideration of Parts I and II is continuing.

The purpose of Part I of the plan is to provide data documenting growth patterns and trends and to set forth an agenda of issues to be considered in establishing goals and policies for growth to be included in the statewide balanced growth policy and development plan. Formulation of state balanced growth policy is part of a broader goals-setting effort. The State Goals and Policy Board participates in this process. A statewide conference on balanced growth and economic development was held in January 1978 bringing together the results of a series of county-level meetings.

Among the overriding issues set forth in the plan document is the question of the appropriate roles of government in influencing growth and development. Of particular concern in North Carolina are the growth patterns around smaller communities. There is a need to provide adequate public and private services to these areas that will support human development and jobs, provide a higher standard of living and preserve the environmental quality and life style of these communities.

The statewide development goal is to create a network of smaller urban centers, which along with larger cities, can maintain a jobs-people-public services and environmental balance that will support a higher standard of living. Recent trends reinforce the assumptions underlying this goal. The network of these small and large urban areas has demonstrated a capacity to grow and support higher paying jobs in many areas.

In addition to this broad goal, North Carolina has singled out six specific statewide subgoals which are applied to the Appalachian program investment policy: (1) to provide more and higher paying jobs which contribute to a higher standard of living in North Carolina; (2) for communities to provide public and private services that will support opportunities for human development and jobs providing a higher standard of living; (3) to achieve economic growth without harm to the natural resources and environment of the state; (4) to restore the state to a position of economic leadership equal to its position as one of the largest states in the nation; (5) to achieve a high quality of education which supports the human development potential and provides a base for economic expansion of benefit directly to residents of the state; and (6) to promote preventive health services and early childhood detection of health problems.
The plan sets forth major considerations which must be included in the development of program strategies for carrying out these statewide goals. They are:

- deciding where to encourage growth
- establishing priorities between government activities that meet current problems and those that create new growth opportunities
- creating new partnerships between federal, state and local governments to make the two preceding types of decisions and to better deliver services which can support a higher standard of living and
- identifying various types of programs which affect growth.

The draft goals for balanced growth in Part I of the plan document are included in the Appalachian investment policy (Part II) as interim guidelines for investing federal funds available for fiscal year 1979. This draft statement, of course, may be modified to reflect the results of the goal-setting process now underway.

The plan's locational strategy for Appalachia in Part II reaffirms the growth center approach contained in the 1972 statewide development policy and in the Appalachian development policy. Two categories of growth centers have been defined — primary and secondary. Primary centers have been subdivided into three types — regional, area and urban centers. Secondary centers have been subdivided into two types — employment and government service centers. In the preliminary designation of centers, the state decided that all substate regions (lead regional organizations) would contain at least one community in each of the three primary growth center categories. Other communities, as appropriate, would be designated as one of the two secondary types of growth centers. Moreover, a state policy was to designate no more than two regional centers in each substate district. Furthermore, it was decided that each county should contain at least one secondary center — either a government service center or an employment center. An additional element has been introduced this year to the identification of growth centers — the existence of local commitment to economic development.

The education component of the plan establishes a program policy and goal of expanding educational opportunities so that they are available equitably in all local education agencies. In this priority category investment emphasis will continue in the following program areas: reading, curriculum improvement, vocational education and libraries.

The general thrust of the state's Appalachian health program is the development and support of basic health systems with emphasis on primary and
preventive health care. Specific attention is given to primary medical and dental health services, preventive health services, rural health clinics, emergency medical services, home health services, child health services and which to deliver these services.

The state's child development operational program is in its sixth year of funding and has emphasized comprehensive and preventive rather than remedial services to children ages 0 to 6 years and their families. The state's child development planning and program development investment is designed to identify existing gaps in children's services and to make appropriate recommendations for the types of services and policy actions needed within the state. The state's priority is to develop an effective and efficient network of child health and development services. Future program development assessments will deal with these six areas -- infant screening, prenatal care, nutrition, immunization, dental services and availability of physician extenders. The second priority objective in the program is to assist local governments and service providers in establishing a demonstration "model" in one or more of the state service areas. Finally, the state will evaluate model or pilot programs for transfer to other areas in Appalachian North Carolina.

In the community development program, priority will be given to meeting the needs for balanced growth between urban and rural areas. The program consists of seven basic elements. First, top priority will be given to basic services -- water, wastewater disposal and housing -- to support the infrastructure for growth. Second, complementary investments in other community needs, such as solid waste and recreation, will be made if basic services are in place, in progress or can be accomplished with available resources. Third, priority will be given to removing constraints to growth or easing growth moratoriums caused by water, wastewater and housing inadequacies. Fourth, priority will be given to extension or expansion of existing water and wastewater systems to meet industrial and residential growth. Fifth, priority will be given to the demonstration of alternatives to costly wastewater systems in rural areas and to energy efficiency in housing construction. Sixth, investments in recreation facilities will be limited to facilities that have the potential to enhance significantly the economic development of the area. Seventh, investments in solid waste will focus on expanding existing systems to meet increased demands. The plan establishes a system of priorities for solid waste project funding.

The energy component of the plan at the statewide level recognizes that North Carolina is a consumer of energy rather than a producing state. Statewide, as well as regionwide, goals and objectives stress conservation, efficiency and management in the use of energy and the development of alternative energy sources. Specifically, for the Appalachian area the objective is twofold: to promote the augmentation of present energy systems by using new technology in combination with or in lieu of fossil fuels; and to promote the conservation of energy resources, especially in the public sector.
Abstract of Investment Program
for Fiscal Year 1979

North Carolina's FY 1979 annual implementing investment program is submitted to the Appalachian Regional Commission for approval in accord with Section 200A-6.3 of the ARC Code by letter dated September 14, 1978, from Governor James B. Hunt. Major program emphasis for FY 1979 is assigned to health and child development, education (including libraries), housing and community development. The lesser investment program areas are state research and demonstration, arts and crafts, energy and transportation.

The shift noted in education investments in FY 1978 from construction to operations and equipment continues in FY 1979. The larger share for health and child development is attributable to the state's decision to fund its regionwide child development program for a second additional year as permitted under the amended ARDA. The same level of $1,250,000 is being maintained for housing as was established in FY 1978.

Summary of Fiscal Year 1979 Investment Program

<table>
<thead>
<tr>
<th>Proposed Funding</th>
<th>Number Of Projects</th>
<th>ARC Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted Area Development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allocation</td>
<td>41</td>
<td>$9,220,427*</td>
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<tr>
<td>Other Funding</td>
<td>7</td>
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</tr>
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<td>Total</td>
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<td>$9,807,427</td>
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Note: The current adjusted area development allocation is $8,590,004.

*represents 107 percent of adjusted area development allocation

PROPOSED FISCAL YEAR 1979 ADJUSTED AREA DEVELOPMENT ALLOCATION FUNDING AMONG PROGRAM AREAS

<table>
<thead>
<tr>
<th>Major Program Area (for Priority I Projects)</th>
<th>Percent of Total Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health and Child Development</td>
<td>39%</td>
</tr>
<tr>
<td>Education</td>
<td>29</td>
</tr>
<tr>
<td>Housing</td>
<td>15</td>
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<tr>
<td>Community Development</td>
<td>12</td>
</tr>
<tr>
<td>State Research and Demonstration</td>
<td>5</td>
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</tbody>
</table>

TOTAL: 100%

---41---
State of Ohio
Appalachian Development Plan
and Investment Program

**Appalachian Data and Development Trends**

- Appalachian counties: 28
- Population (1977): 1,198,800
- Employment (1977): 441,000
- Unemployment rate (1977): 7.5%
- Per capita income (1976): $5,134
- Per capita income as percent of U.S. level (1976): 80%
- Per capita income as percent of U.S. level (1970): 78%

Appalachian Ohio contrasts sharply with the rest of the state which has numerous large metropolitan areas and per capita income levels well above the U.S. average. In 1970 the Appalachian portion of the state had 53 percent of its population dispersed in communities of less than 1,000 population or in rural areas. Since 1970 population growth in Appalachian Ohio has been more rapid than growth in surrounding Appalachian areas with much of the growth from immigration. Employment has increased rapidly in many industrial sectors, yet unemployment in 1977 was higher than U.S. averages. The highest rates of unemployment have been in the western counties between Cincinnati and the Ohio coal fields. Per capita income levels have increased slightly faster than the national average since 1970. However in 1976 no county in the Appalachian area was equal to or above the national per capita income average.

**Abstract of Plan Objectives, Needs and Priorities for Fiscal Year 1979**

Ohio's plan for FY 1979 is a refinement of its 1978 plan of record which was intended to serve as the base document through FY 1980. The plan provides the program framework to foster a diversified, self-sustaining economy for Appalachian Ohio which is expected to maximize the social and economic return on public expenditures.
Enterprise development activities, especially the development of industrial site infrastructure will receive the highest priority even though such investments may not constitute the greatest amount of ARC dollars. Rather, economic development "support" programs—health facilities and services, child development, vocational education and housing for workers—are expected to receive a significant proportion of ARC funds for FY 1979 through FY 1980. Projects directly related to creating or retaining employment opportunities will be given priority.

Since 1970, Appalachian Ohio's population has increased. This reversal is attributed to the upswing in the coal industry, the change from rural-urban to urban-rural migration and the development of new services and industries in the region. Rural counties that have experienced dramatic population increases are within commuting distance of the large metropolitan areas surrounding the Appalachian portion of the state. Increases in coal mining and other industrial growth have been the primary reasons for growth in three Appalachian counties. The plan states that these relatively sharp increases in population have created a need for services such as schools, police and fire protection, sewer and water facilities and transportation facilities.

In spite of generally favorable population growth, the work force in most counties has grown very slowly and even declined in others. A few counties experienced dramatic growth while others show moderate increases in the work force. Unemployment levels are a continuing problem for most Ohio Appalachian counties. The plan analysis of employment concludes that continued emphasis must be placed on job creation with a primary concentration on growth areas where unemployment levels are higher than the state or regional average.

Jobs, in Ohio's view, should be developed in other growth areas which have healthy economies as measured by employment, and where further anticipated growth is likely due to the existence of the proper infrastructure. The state feels that continued efforts should be made to attract manufacturing establishments, but notes that recent trends indicate a potentially higher employment benefit in the areas of transportation and utilities, wholesale and retail trade and services.

The plan changes past growth area designation procedures and establishes two growth area categories: growth areas and special development impact areas. A point system is used (which considers population, employment, income, wholesale trade, retail trade, services, accessibility, education, commutation and manufacturing) to rank 49 communities. All communities above the median have been designated growth centers. Their immediate environs include several other communities. The 18 growth centers include 44 communities.

The plan identifies four special development impact areas: (1) from I-75 near Cincinnati to Williamsburg in Clermont County; (2) the Piketon-Waverly area (3) Pomeroy-Wilkesville-Gallipolis; and (4) Caldwell. No investments will be made until a firm private commitment is evident.
Ohio's six development goals are as follows:

- to increase the number of employment opportunities in Appalachian Ohio through the inducement of growth in all economic sectors.
- to develop human resources of Appalachian Ohio and to improve the standard of living.
- to improve communities by building infrastructure in order to enhance the potential for future growth.
- to improve the general health and welfare of the population in Appalachian Ohio.
- to assist in the development of the region's natural resources and to aid in the overall improvement of the quality of the environment and
- to improve the planning, coordination and fiscal management of governmental programs.

The sections of the plan that address community development related investments are scattered throughout the document. Sewer and water investments receive most attention in terms of needs and impact on jobs and development of industrial sites. Although the plan does not specifically set forth goals for community development, three of the six goals (economic development, infrastructure, and natural resources and environment) basically identify developmental goals for community development type investments. The specific developmental objectives outlined under these goals provide the program strategy Ohio intends to use to accomplish the broad goals.

A broad assessment of education needs are provided for primary and secondary, vocational, career, technical and higher education. The plan also provides a rationale for Ohio's long-term investment in regional education service agencies (RESAs). Major problems identified in the area of primary and secondary education are the financial burden incumbent on the school districts and the high drop-out rate among secondary and special education students. The drop-out rate exceeds the Appalachian average in four out of six counties which currently have no student enrollment in joint vocational programs. In the area of vocational education, a major problem is the lack of quick responsiveness to the demands of the labor market. As a result, employer requirements are often filled from outside the region, or new industries do not locate in Appalachian Ohio.

In responding to most but not all identified needs, the state has established the following priorities for investments in education:

1. Development, implementation and expansion of vocational and technical educational programs and, as appropriate, facilities and equipment.
2. programs to more effectively utilize primary and secondary education resources, e.g., centralized administration, management, purchasing, recruitment and training

3. counseling, placement and career education development services for students and adults

4. manpower recruitment and retention

5. demonstration programs which have a potential applicability at other institutions

6. demonstration projects providing for computer services in such areas as payroll accounting, student scheduling, computer assisted instruction, etc. and conducted on a multicounty basis. Funding may be multicounty and/or multidistrict. Funding priority will be accorded to computer services operated under RESA auspices.

7. programs which extend institutional community services.

The plan outlines and documents the health care needs and resources within the 28-county area of Appalachian Ohio. It also deals with state policy and procedures for project submission, ranking, and funding. The result is a document that identifies on a county-by-county basis those areas with serious health problems based on specific morbidity and mortality data. The plan also provides insight as to how and to what extent the state will assist communities in solving their problems. Health investments will be focused on primary care services, major primary care support services, allied health, and paraprofessional manpower development programs and physician recruitment, and certain other programs documented by need where primary and major support services are already operating.

The plan identifies four categories of services which represent the priorities for child development. These categories of service are the general areas of health, education, nutrition, and social services. In addition, six critical areas of need are identified: center-based infant care, maternity services, prenatal and postnatal care, dental care, transportation, and center-based day care. Needs are identified by county and development district. The state has developed a set of policies regarding the future planning of child development projects. Priority funding will be given to:

1. Continuation of projects which demonstrate high quality service delivery, effectiveness and a future planning potential exclusive of ARC

2. New projects requiring initial one-year startup funds only

3. New projects requiring only equipment funds to initiate or expand program operations and

4. New multiyear projects which demonstrate severe need, good potential for continued funding after termination of ARC funds, an ability to promote institutional relationships with existing services and realistic program goals and objectives.
All projects will have to meet a set of criteria which will be used to evaluate the quality of child development applications including: fundability under ARC Code Section 202B and conformance with OADO priorities, determination, of need and self-sufficiency potential.

Ohio's housing program focuses on the problem of lack of expertise and funding capabilities at the community level necessary to interest private developers in meeting local housing needs by providing project planning, technical and site development assistance.

The plan gives considerable attention to development of Appalachian Ohio's natural and energy resources. The state's special development opportunity identifications are directly related to development of its energy resources. The region's energy resources and mineral production potential will be developed; its forest, woodland and grassland products harvested; and its recreation and tourism potential exploited. Improved solid waste collection and disposal services and methods to minimize or eliminate hazards of flood damage will be encouraged. Local governments will be aided to alleviate acid mine drainage and other problems related to unreclaimed strip mined lands.

The Ohio Appalachian Development Office firmly supports planning from the local level up. It fully supports Areawide Action Programs of the LDDs and uses the AAP as a basis for both plan development and the investment program.

Finally, the plan incorporates a chapter addressing the process followed to achieve citizen input into plan and investment program decisions. Additionally, functional area discussions also include more detailed treatment of the citizens' role. The primary responsibility has been assigned to the development districts and advisory committees to the district boards of directors.
Abstract of Investment Program for Fiscal Year 1979

Ohio's FY 1979 investment program is submitted in accord with Section 200A-6.3 of the ARC Code by letter dated December 20, 1978, from Governor James A. Rhodes. The state's FY 1979 investment program emphasizes investments that will improve the quality of human and social services for Ohio's Appalachian people, particularly in health and education. Investments in community facilities and infrastructure which will develop the state's Appalachian communities as well as housing continue to be stressed. All of these investments are directed to attain Ohio's major goal of economic development.

Summary of Fiscal Year 1979 Investment Program

<table>
<thead>
<tr>
<th>Proposed Funding</th>
<th>Number of Projects</th>
<th>ARC Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted Area Development</td>
<td></td>
<td></td>
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<tr>
<td>Allocation</td>
<td>76</td>
<td>$ 9,680,991*</td>
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<td>Other Funding</td>
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Note: The current adjusted area development allocation is $8,121,379.

*represents 119 percent of adjusted area-development allocation

PROPOSED FISCAL YEAR ADJUSTED AREA DEVELOPMENT ALLOCATION FUNDING AMONG PROGRAM AREAS

<table>
<thead>
<tr>
<th>Major Program Area</th>
<th>Percent of Total Dollars</th>
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<tbody>
<tr>
<td>Child Development</td>
<td>11%</td>
</tr>
<tr>
<td>Health</td>
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</tr>
<tr>
<td>Housing</td>
<td>10</td>
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<tr>
<td>Education</td>
<td>26</td>
</tr>
<tr>
<td>Community Development</td>
<td>21</td>
</tr>
<tr>
<td>State Research, Demonstration and Technical Assistance</td>
<td>2/100%</td>
</tr>
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Commonwealth of Pennsylvania
Appalachian Development Plan and Investment Program

Appalachian Data and Development Trends

Appalachian counties: 52
Population: 1977: 5,924,600
Population change (1970-1977): -0.1%
Employment (1977): 2,299,210
Unemployment rate (1977): 7.7%
Per capita income (1976): $6,039
Per capita income as percent of U.S. level (1976): 94%
Per capita income as percent of U.S. level (1970): 91%

Pennsylvania has the largest population but the slowest rate of growth in the entire Appalachian Region; this slow growth has persisted for nearly a half-century, with massive outmigration (-1.4 million) in the 1940-70 period. Between 1976 and 1977 there was a net decline of 0.5 percent of the area's population. As a result, extensive areas have an older population with death rates higher than or nearly equal to birth rates and physically aging or old community facilities. This trend in population parallels employment trends. Between 1970 and 1977, there has been a sharp decline in manufacturing jobs that has been offset by a relatively slow growth rate in trade, services, local and state government, and mining (a small sector with only 2 percent of total employment). Per capita incomes have been rising above the national average at a rate equal to the Appalachian Region's average. Unemployment was lowest in the heavily populated metropolitan areas, while the highest unemployment occurred in surrounding urban and rural counties.

Abstract of Plan Objectives, Needs and Priorities for Fiscal Year 1979

The 1979 Appalachian development plan for Pennsylvania is a three-volume document with the general title Economic Development Through Innovation. The first volume discusses policies for balanced development in Appalachian Pennsylvania and the entire state. Volume two analyses present conditions of socioeconomic imbalance in Pennsylvania as a rationale for development planning and proposed special investment strategies to guide program and project investment in the Appalachian portion of the state. Both of these volumes were approved in 1978. Volume three details development opportunities in Appalachian Pennsylvania and summarizes the related substate areawide action programs. The overall document replaces Pennsylvania's previous plan of record. Pennsylvania intends to review the plan annually and to update and modify its contents
In common with most of the northern industrial states since World War II, the rates of population and employment increase in Pennsylvania have fallen below the national average until very recently. The local economic situation has been characterized by sporadic growth, decline and stagnation, with considerable outmigration of younger residents. Pennsylvania lost almost 200,000 manufacturing jobs during the period 1970-75 or one-fifth of all manufacturing job losses in the nation. Many of these occurred within the Appalachian portion of the state and were superimposed on a longer term slowing of growth and a lethargic employment base. The state's growth policy recognizes the need to reduce imbalances in economic and social well-being and to strengthen the economic base. In this context, a major concern is to establish appropriate roles for local, substate and state governments. The Commonwealth development opportunities program provides a major thrust to the plan and will assist the governor in focusing the resources of state government on specific possibilities for development, carrying them forward into state investment programming. Public and private participants in the program are urged to work with existing substate regional planning agencies. The latter will continue to have a key role in identification of special development opportunities which are the focus of the state's Appalachian development effort.

Pennsylvania has adapted several Commission development policies as the basis for achieving balanced development and economic growth and for disbursement of Appalachian development funds within the region. Investments are to be concentrated in areas with potential for growth and in projects which could efficiently serve residential clusters. Appalachian funds will be used to leverage related state, local and private investments. Cost-effective areawide and interstate approaches to development will be encouraged. New and innovative methods will be tested through use of effective demonstration projects in concert with appropriate monitoring and evaluation procedures. Regional development planning and programming of Appalachian development will be strengthened and the public sector capacity to organize and administer programs will be improved.

In addition to these broad policies Pennsylvania will place special emphasis on: (1) encouraging citizen and other participation in the local development districts (LDDs) and support for their areawide action programs; (2) advocating the adoption of effective ARC program strategies by other federal and state agencies; and (3) conducting a research, technical assistance and demonstration program directed toward achieving a diversified and self-sustaining economy for Pennsylvania.

The plan's locational strategy reaffirms the system of economic activity areas (growth areas) established in previous years. Each is categorized into one of four geographical categories according to its estimated potential for economic growth, ranging in descending order from core area through primary and secondary subareas to hinterland.

The plan identifies policies and investment strategies for each functional program area. Taxation, regulation, grant programs and normal fund allocation are recognized as the major opportunities state government has to influence economic development within Pennsylvania. Balanced growth will be achieved through
innovative use of this fiscal and institutional framework and by the state's planning-program-budgeting system. Alternative strategies for growth provide potential project sponsors with an understanding of Pennsylvania's investment priorities by ARC functional program area.

The education component of the plan reflects Pennsylvania's overall concern with ensuring the availability of a skilled labor force. This policy is an essential element in the state's promotion of economic development. This concern has been refined into major policies for vocational, specialized vocational, recurrent and remedial education, designed to meet present educational problems and future manpower needs of Appalachian Pennsylvania. The investment focus in vocational education will be shifted from construction to equipment and operating grants designed to improve the efficiency of current facilities. Priority will be given to funding special training or retraining facilities to develop skills needed by emerging industrial opportunities such as automobile production and to revitalize the rail, mining and timber industries. Provision of continuing education opportunities for adults will be emphasized and directed to both personal improvement and to replacement of obsolete or inadequate working skills. In FY1979 Pennsylvania encourages projects to develop remedial educational programs and alleviate the problem of inferior basic skills and high dropout rates.

Pennsylvania's FY 1979 Appalachian health systems' statement draws upon the regional statements for each local development district. Investments will be concentrated on the development of community-owned and community-managed basic health care and emergency medical services and facilities in underserved areas. Emphasis will be placed on preventive health care, including health manpower development, health education, manpower deployment and home health programs, and on developing a rapid response to public health problems generated by a natural or man-made disaster.

The primary goals in Pennsylvania's child development program are provision of a healthy, stimulating home environment; supplementation of in-home efforts by provision of limited outside educational facilities; and provision of adequate day care services. Future program development will focus on these 11 areas—planning and evaluation; areas of the state with insufficient service; demonstration models; prenatal care in high-risk areas; general prenatal/postnatal care; parental education and counseling; services for preschoolers; cognitive development for infants, toddlers and preschool children; day care facilities; emergency foster care and adoption services in cases of child abuse and neglect; and treatment for preschoolers with physical, neurological and mental disabilities.

The community development program stresses the importance of federal, state and local initiatives for the delivery of basic programs needed for development of designated growth areas, with job development as the ultimate state goal. This investment strategy is supported by stated criteria for selection of sewer, water and housing projects. Highest priority will be given to water improvement projects.
located in communities impacted by the resurgence of the coal industry. Sewer investments will not generally be made in existing residential areas and will only be funded where potential economic or health benefits are substantial, and/or where the existing financial capability is inadequate. A statewide program adds an additional five percent grant to any EPA project that can demonstrate financial need.

Housing projects are to be emphasized for rural areas of the state, with the state seeking to assist and strengthen local housing sponsors of new and rehabilitated housing for low- and moderate-income families and individuals.

The plan's natural resource element recognizes that the demands of economic development press hard upon the limited supply of natural resources and places stress upon the Appalachian environment. While development of Pennsylvania's coal, wood and water resources is essential to provide jobs and feed the economy, this must be weighed against the need to protect public health and safety, guard against incompatible land uses and guide growth away from environmentally sensitive or hazardous areas. Specific state policies support Pennsylvania's coal development policy: funding of mine fire and subsidence projects on an emergency basis; additional strip mine reclamation and culm bank removal activity; and further funding of acid mine drainage projects. The state proposes to protect critical resource areas, balance new development of mineral resource areas with adequate reclamation of old sites, encourage sound forest development, increase investigation of development project impacts and mitigate hazard areas.

The energy portion of the plan states that energy-related projects should promote early and wise use of the best available technology to ensure the health, comfort and jobs for Pennsylvanians at acceptable environmental and economic costs. Areas experiencing strong impacts from energy-related developments will be assisted and benefits from energy-related production will be distributed through cooperative processing and marketing organizations. Pennsylvania supports projects directed toward improved mining methods that are conducive to maintaining a healthy population, improved postmining land use and encouragement of energy conservation. The Appalachian development access highway program is aimed at improving the transportation, labor and material requirements of expanded energy production. Coal conversion alternatives will be supported.

The transportation component of the plan is centered on the principal that projects shall implement the overall strategy for Appalachian development. This strategy includes completing the Appalachian development highway system, ensuring adequate access to key developable sites, supporting a strong railroad system, improving capabilities for waterborne freight and air transport, and expanding and upgrading public transportation in rural areas.

Pennsylvania has established for the first time a Commonwealth development opportunities program. This concept is seen as a significant mechanism for future investment decision making in the state. Six distinguishing characteristics of Commonwealth development opportunities are to be: greater-than-local
development impacts; multipurpose and/or multifunctional in scope; potential multiprogram benefits; requiring a high degree of technical coordination and funding integration; backed by multiyear funding; having commitments, interaction and coordination between the private and public sectors. Investments will be concentrated in industrial site development programs, energy-related developments, specialized staff additions to each local development district and in tourism industry development. The Commonwealth development opportunities program and the ARC special development opportunity and growth area strategies are closely related. The districts have an important role in implementing this concept.
Abstract of Investment Program for Fiscal Year 1979

Pennsylvania's investment strategy for the region is a pragmatic approach toward achieving basic objectives of increased employment, job creation and economic growth. The FY 1979 investment program, as last year, reflects major emphasis on community infrastructure, particularly water, sewer and industrial site investments. Recognizing the importance of a healthy population with marketable skills, Pennsylvania also continues to make substantial but lesser investments in the areas of education, health and child development.

Summary of Fiscal Year 1979 Investment Program

<table>
<thead>
<tr>
<th>Proposed Funding</th>
<th>Number of Projects</th>
<th>ARC Funds</th>
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<tr>
<td>Adjusted Development</td>
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<td></td>
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<tr>
<td>Allocation</td>
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<tr>
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Note: The current adjusted area development allocation is $15,402,249.

*represents 151 percent of the adjusted area development allocation

PROPOSED FISCAL YEAR 1979 ADJUSTED AREA DEVELOPMENT FUNDING AMONG PROGRAM AREAS

<table>
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<tr>
<th>Major Program Area</th>
<th>Percent of Total Dollars</th>
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<td>Community Development</td>
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<td>Child Development</td>
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<tr>
<td>Natural Resources</td>
<td>5</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>
State of South Carolina
Appalachian Development Plan
and Investment Program

Appalachian Data and Development Trends

Appalachian counties: 6
Population (1977): 729,300
Employment (1977): 328,500
Unemployment rate (1977): 6.3%
Per capita income (1976): $5,448
Per capita income as percent of U.S. level (1976): 85%
Per capita income as percent of U.S. level (1970): 82%

Over the past 20 years, Appalachian South Carolina has changed from a predominantly rural area to an urban area in terms of population distribution. In 1950, only 31.5 percent of the population lived in urban areas of 2,500 or more. By 1970 more than 50 percent of the population lived in urban areas. The fastest growth has occurred in the Greenville-Spartanburg standard metropolitan statistical area which includes the entire counties of Greenville, Pickens and Spartanburg. This area has an industrial composition dominated by basic manufacturing industries. However, the economy is slowly evolving from a basic manufacturing to a nonmanufacturing services orientation. This is primarily an urban phenomena with the Greenville, Spartanburg and Anderson metropolitan area serving as the centers for this change.

In 1977 unemployment was low, the third lowest of any Appalachian state area. Per capita income in Appalachian South Carolina was the highest in Southern Appalachia yet has experienced slower growth than surrounding areas since 1970.

Abstract of Plan Objectives, Needs
and Priorities for Fiscal Year 1979

The 1979 Appalachian state development plan submitted by the state of South Carolina provides an excellent basis for Appalachian investments in the Appalachian region of South Carolina (hereinafter referred to as "region"). It is the
intent of the state to review this plan annually and update and revise its contents as needed and appropriate.

The Appalachian portion of South Carolina has changed over the past 20 years from a predominantly rural area to an urbanized area. In addition, after a period characterized by relatively high unemployment and low per capita income, conditions have begun to improve. A transition from a single manufacturing industry to a more diversified manufacturing and service industry has signaled a maturing economy for the region. It is important to remember that the region has essentially been involved in a process of catching up. Many of the more rural areas continue to be plagued with problems of economic stagnation. Although improvements have been significant in the more prosperous areas, some of the economic indicators still show these areas as falling below national levels.

South Carolina's overall development goals for the region coincide with the Appalachian Regional Commission's (ARC) two primary goals:

- providing every person in the region with the health and skills needed to participate productively in everyday life; and
- attracting new industry to the region, which will provide more jobs and a more diversified economy.

These goals, coupled with the following six Commission development policies, provide the basis for South Carolina's investment strategy:

- concentrating investments in areas with potential for growth and in projects that serve clusters of people efficiently
- using ARC funds to leverage state and local funds as well as private investments
- encouraging cost-effective areawide development approaches
- using demonstrations and evaluation to encourage new and innovative approaches
- establishing a regional development planning and programming process, and
- strengthening the capability of governments at all levels to participate in regional economic development.

South Carolina's investment strategy is based on the belief that a healthy population with marketable skills is an essential step in the cycle of increased employment, job creation and economic growth. South Carolina's FY 1979 investment strategy is summarized in the following three elements:

- continue to provide needed training and basic human services in the region to improve the capability and potential of its residents to contribute toward and benefit from the economic development of the area.
expand employment opportunities for the region's population through an interrelated program of community enterprise development to accommodate rapid growth already occurring in parts of the region and foster new or expanded industrial activity in other areas which are not realizing their developmental potential, and

- strengthen the management capability and institutional capacity of local governments to deliver more efficient and effective services and to accommodate expanded growth in their jurisdictions through support of district-level technical assistance and special demonstration programs.

In the past, the major portion of South Carolina's ARC funds have been invested in vocational and technical education, health and child development. But the region is changing and so are its needs. Priorities have been reassessed according to the region's current conditions in order to direct investments toward areas of greatest need, an improved overall quality of life and long-term economic development. In striving to increase the region's human and economic potential, South Carolina's investment strategies for 1979 have shifted emphasis among and within the four major investment categories of education, health, community development and child development. South Carolina will focus more attention on investments in community development, which is the third priority, in attempting to alleviate the inadequacies in public facilities and services that provide the foundation for long-term economic benefits. Education which remains the first priority will shift its emphasis from construction toward problems in basic education. Health, the second priority, will continue to emphasize basic health services and demonstration programs to improve the quality and availability of health care in the region. Child development, which becomes the fourth priority, will maintain its emphasis of supplementing state kindergartens and special services.

The thrust of the education investments will be on a truly comprehensive educational development program emphasizing career training and basic skills education as integral program features. Emphasis in vocational and technical education will shift toward more effective utilization of existing facilities and improvement of career programs. In addition, increasing emphasis will be placed on the priorities of basic literacy skills, dropout prevention, guidance and counseling, and adult education. Investments in innovative demonstration projects, governed by these priorities, will be designed to impact the specific problems of high illiteracy rates, high dropout rates, the incidence of large numbers of adults without a twelfth-grade education and substantial deficiencies in guidance and counseling. The state has identified four additional special demonstration program areas: They are economics education, education for exceptional children, in-service education and dropout prevention. In addition, program objectives reflect the intent to assist institutions of higher learning as they work toward strengthening the skills and capabilities of people in the region as well as provisions for educating the handicapped.

The health program responds to the overall goal that "a health population with marketable skills is an essential step in the cycle of economic growth." It was determined early in the ARC health program in South Carolina that for maximum
impact, investments should be concentrated in the areas of prevention, primary care delivery and health manpower development. In the immediate future, physician residency training programs will continue to receive support; efforts in family planning and maternal, infant and child care services will be emphasized; and continued development of the ambulatory care capability in hospitals and public health department will be given consideration. The health service needs, goals and objectives are contained in the health systems plan.

The child development program is oriented toward prevention and early intervention. Past investments centered around the development of the center as a delivery system. However, based on needs a shift is occurring with increased priority emphasis being placed on areas of health-related services, after kindergarten care, parent education, services for exceptional children and support services for children with special needs, as well as the strengthening and expansion of established community agencies in conjunction with statewide agency goals in each delivery system. The plan indicates that the most pressing needs can be addressed through the development, continuation or expansion of a network of six delivery systems:

- a network of comprehensive child development day care programs
- a training and education program
- an after kindergarten care program which provides full day programs for five year olds
- a coordinated programming effort between the Appalachian health and child development programs
- a program which provides rehabilitative services for the handicapped child and enrichment for the exceptionally bright child, and
- a program of support services for children with special needs, i.e., the abused and neglected child and his family.

The basic emphasis of the combined community development effort is directed toward creating the physical environment necessary to accommodate and promote economic growth. This includes the provision of basic community infrastructure, such as water and sewer, other public facilities and industrial parks, as well as activities in enterprise development, energy and other related areas that contribute toward establishing a favorable climate for economic development. Some of the elements such as water, sewer, solid waste, development and access highways and roads, and enterprise development have been identified as having the most direct and significant relationship to the economic vitality of the region. They constitute the primary (Level I) thrust of the state's investment strategy in the region's infrastructure. Other elements such as air and noise pollution, land use management activities, public mass transit, airports, energy, housing, and social amenities also have a significant impact on the region's development and constitute the state's secondary (Level II) strategy for regional development. Level II projects may present unique development opportunities and are evaluated on a project-by-project basis when formulating the district's investment strategy.

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Rapid industrialization and growth has left many of the region's urban and rural communities deficient in basic public facilities and services, particularly water and sewer facilities. Because of this need, priority attention will be given to the development of water and sewer facilities, with particular emphasis on investments that provide the greatest return. The highest priority will be given to cost-efficient water and sewer projects directly related to long-term development of the region, rather than to the replacement or rehabilitation of existing systems, which simply maintain current service levels. In particular, attention will simply be given to parts of the region without these services to open up new areas for development and to those areas where the water and sewer inadequacies are so critical they constitute constraints to economic growth.

With regard to water and sewer, the state has identified general regional goals and objectives. They include: to develop, adopt and implement programs which promote adequate regional water supply and sewage disposal systems; to promote the availability of water supply and sewer service for long-term economic growth and development; and to develop, adopt and implement programs which encourage and promote coordinated unified planning and development of cost-efficient water and sewer systems in the growth areas. For wastewater facilities, South Carolina's strategy will be to emphasize large public works projects which have long-term economic development impact and which help to generate new permanent jobs. With respect to individual water projects, the plan identified specific funding criteria. In the area of solid waste, the state's goals and objectives are to continue ongoing evaluations and initiate new evaluations of existing systems, to increase the capabilities and efficiency of present rural collection, transportation and disposal systems, and to examine alternatives to the present collection, transportation and disposal systems. The community development section also discusses the need for research, planning and technical assistance especially for industrial site and tourism development in rural areas. A broad approach is proposed to encourage and promote recreational opportunities, historic preservation and tourism. The lowest priority is afforded to library projects. In the housing program, the region's housing coordinator will continue to serve as a catalyst in providing technical assistance to developers, nonprofit sponsors and local governmental units to spur the production of housing in a planned approach.

The transportation goal emphasizes the need for surface transportation to be provided at a level to allow the flow of goods in and out of the region for opening new, or expanding existing, undeveloped industrial and recreational sites. Priority is given to the completion of the highway system, as well as the construction of relatively short roads needed to provide access to industrial parks, commercial and service areas, recreation areas, and education centers, with top priority for industrial parks. In addition, studies of how potential sites can be developed will be encouraged. The ARC program will provide assistance to airports which serve individuals and will help move goods in a safe and efficient manner.

Although South Carolina's past efforts in attracting industry through the use of ARC funds have been in infrastructure facilities, more efforts in research, planning and technical assistance are needed. Studies which include industrial location analysis; commercial, industrial and recreation potentials; labor market analysis; and commercial centers development along with tourism and recreation facilities are needed to supplement the infrastructure investments.
The enterprise development program will be the focal point for tying together various areas of economic development. The emphasis will be on technical assistance and site development and reflects the state's desire to target such investments to its smaller towns and rural areas. There are five objectives for the program: (1) bring in new industry with higher paying jobs; (2) establish a rapport among development groups in the region and state; (3) prepare communities for new industrial development; (4) enhance the public's awareness of the value of industrial development; and (5) increase the level of industrial, commercial, recreation and tourism site development. The strategy to be employed is twofold: (1) to provide technical assistance; and (2) to concentrate on industrial, commercial, recreational and tourism site development.

The first goal for the energy program is to achieve the smooth integration of energy facilities within existing communities. The achievement of this goal is expected through initiation of a program to educate the public and implementation of mitigation measures in Cherokee County after the impact assessment study is completed. Another goal is the promotion of energy conservation and development of new small-scale energy production techniques. The use of Section 302 demonstration funds is emphasized to finance innovative energy conservation projects and new small-scale energy production research.

The federal-state partnership structure of the Commission has been a particularly significant factor in the program's success in South Carolina. The partnership approach is extended to the local level through the areawide planning and development agencies which work to serve local communities in obtaining their participation in assessing needs, establishing local priorities and preparing plans. The Governor, who has ultimate responsibility for the program within the state, uses his office to provide policy direction, oversee the planning and project development process, maintain direction, oversee the planning and project development process, maintain central fiscal management and coordinate activities among organizations at the substate district level. However, much of the direct planning, project development, technical assistance and local administration has been assigned to the South Carolina Appalachian Council of Governments, the Appalachian Health Council (another areawide agency) and the state level Child Development Council. The South Carolina Appalachian Council of Governments is responsible for activities in the area of education and community development; the Appalachian Health Council administers the health program; and the Child Development Council administers the child development program. All these councils are responsible for preparation of the plan and projects and insuring public participation in their development. All the councils and the program and planning committees appointed by them include private citizens as members. The councils and their committees hold public meetings as part of their planning and project development activities. In 1977, the Council of Governments initiated an areawide action program process to facilitate coordinated planning in housing, recreation, environment, transportation, education, and economic development.

The South Carolina policy of strengthening government capability is implemented at the substate and local level primarily through programs and services offered by the South Carolina Appalachian Council of Governments. The Council of
Governments have six basic local government goals: (1) strengthen the management capacity of local elected and appointed officials by conducting local government studies, providing legislative information and sponsoring training sessions; (2) provide technical assistance in areas such as fiscal planning and management, personnel management, grant applications; (3) sponsor and promote local government joint programs on a regional and subregional basis; (4) provide a forum for interchange of information among local appointed officials; (5) provide assistance in the implementation of the Housing and Community Development Act of 1974; and (6) assist in the design and operation of local government training programs.

The methodology for the delineation of growth areas is the same as was presented in the development plan for 1967-1968. Among the variables used to identify the growth areas were: (1) demographic structure and urban development; (2) income; (3) industrial structure; (4) service and trade activities; (5) educational attainment; and (6) traffic flows and commuting patterns. A 1973 study further refined the process of growth area identification. Two changes have been made in the delineation of growth centers. The city of Pendleton has been added to reflect the existence of the Clemson-Central-Pendleton complex. The city of Walhalla is also added due to the recent highway development which should affect development in industry and tourism.

The plan adopts as guidelines for the qualification of special development opportunities the basic provisions included in the ARC Code modified to meet state policy. The conditions that must be met for identification as a special development opportunity include: a large-scale private or public investment of long-term duration or an investment of ARC funds which will lead directly to new jobs; significant projected economic or social changes; a publicly recognized plan which takes into account the impacts of the project; financial commitments from federal, state and local sources; and cost-efficiency.

In making Appalachian investments, in addition to locational and concentration factors, the following ability-to-pay considerations are used: (1) the reasonableness of the applicant's choice among financial resources; (2) relationship between general obligation bonded indebtedness and maximum or legal bonded indebtedness; (3) the ability of the applicant to issue and service revenue bonds; (4) general fiscal effort of an applicant as compared to similar local units of governments; (5) the nature of problems and needs in the community; and (6) the relationship of available funds to the funds needed for a capital improvement program; and the burden upon the local people to adequately provide public facilities. For Section 214 grants under the Appalachian program, the following are the priorities. First priority is given to those projects which request ARC funds for use in conjunction with a grant from a basic federal agency. Second priority is given to those projects which request "first dollar" monies.

Finally, the plan enunciates the public involvement in the planning process for the four major areas of emphasis: education, health, community development and child development. The areawide action program, initiated in FY 1977, is a local planning document that will be used to aid the Governor in his decision-making, particularly in the use of ARC investment dollars in the state.
Abstract of Investment Program for Fiscal Year 1979

South Carolina's FY 1979 annual implementing investment program is submitted to the Appalachian Regional Commission for approval in accord with Section 200A-6.3 of the ARC Code by letter dated November 28, 1978, from Governor Edwards.

South Carolina in FY 1979 is focusing significant attention on investments in community development to alleviate the inadequacies in public facilities and services that provide the foundation for long-term economic benefits. Operating programs in the areas of education, health and child development continue to receive emphasis.

Summary of Fiscal Year 1979 Investment Program

<table>
<thead>
<tr>
<th>Proposed Funding</th>
<th>Number of Projects</th>
<th>ARC Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted Area Development Allocation</td>
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<td>$9,853,676*</td>
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<td>Other Funding</td>
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<td><strong>87</strong></td>
<td><strong>$10,024,676</strong></td>
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Note: The current adjusted area development allocation is $9,042,259.

*represents 109 percent of the adjusted area development allocation.

PROPOSED FISCAL YEAR 1979 ADJUSTED AREA DEVELOPMENT ALLOCATION FUNDING AMONG PROGRAM AREAS

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<thead>
<tr>
<th>Major Program Area (for First Priority Projects)</th>
<th>Percent of Total Dollars</th>
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<td>Community Development</td>
<td>42%</td>
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<td>Education</td>
<td>23</td>
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<td>Health</td>
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<td>Child Development</td>
<td>10</td>
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<td></td>
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State of Tennessee
Appalachian Development Plan and Investment Program

Appalachian Data and Development Trends

Appalachian counties: 50
Population (1977): 1,930,200
Employment (1977): 762,300
Unemployment rate (1977): 6.7%
Per capita income (1976): $5,035
Per capita income as percent of U. S. level (1976): 79%
Per capita income as percent of U. S. level (1970): 74%

Knoxville, Chattanooga and Kingsport are the three major urban areas in Appalachian Tennessee. The rest of the population is widely scattered. Between 1970 and 1977 population growth occurred throughout Appalachian Tennessee, mainly in rural and urban counties. Total net immigration was second only to Appalachian Georgia. Growth in employment has also been strong in many sectors although in 1977 twenty-nine out of fifty counties still exceeded the national unemployment rate. Unemployment rates were lowest in metropolitan counties and highest in rural counties. Between 1970 and 1976, per capita income remained low and increased at a rate slightly lower than the national average.

Abstract of Plan Objectives, Needs and Priorities for Fiscal Year 1979

For FY 1979 Tennessee has submitted a statement, "Review of Tennessee Plan-of-Record for use in FY 1979 Investment Program," which reaffirms the continued applicability of the 1976 basic development plan and its 1977 supplement. This statement provides an analysis of the previously approved 1976 plan and the 1977 supplement in accordance with Section 200A-6.2 of the ARC Code and states that both the plan's program goals and social and economic conditions within the state have not substantially changed. The state believes that the following major trends will continue in 1979 as they have for 1978: (1) a general growth in population and
economic activity throughout Appalachian Tennessee; (2) a greater absolute growth in metropolitan areas but a faster rate of growth in small urban and rural areas, particularly those adjacent to metropolitan areas with interstate access; (3) a higher percentage of low-technology, low-wage industry than the national average but with an increasing emphasis on advanced technologies and high wages in new development; (4) continuing inadequacies in the basic community infrastructure necessary for economic growth (industrial sites, water and sewer systems); and (5) continuing inadequacy in rural primary care services.

Tennessee has completed a further analysis utilizing 1970-77 data to substantiate the first and third trends. Firstly, forty-nine of the fifty Appalachian counties experienced continued population growth in this eight-year period, only Hancock County experiencing a population decline. Economic activity has increased significantly. Secondly, the rate of population and economic growth has continued to increase at a higher than average rate in the thirty-seven counties outside standard metropolitan statistical areas (SMSAs), particularly in those counties immediately adjoining metropolitan areas. Thirdly, Appalachian Tennessee continues to have a higher proportion of its employed labor force in low-wage industries than the nation as a whole, and the differential is increasing. The level of employment in high-wage industries remained the same for Tennessee and the nation during the period 1974-77.

Tennessee's broad development goals remain unchanged. They are:

- continued broadening and strengthening of the economic base to maximize personal incomes and to minimize unemployment
- promoting employment opportunities within commuting distance of the citizens of Appalachian Tennessee
- encouraging a greater mix of employment opportunities emphasizing high-technology, high-wage industry
- stimulating existing industry and attracting new industry and
- achieving economic development without sacrificing the quality of the environment.

The plan focuses on those development strategies and programs that have a direct influence on increasing jobs and income. An overriding strategy is to make investments that support industrial development and provide community facilities and services necessary to maintain development momentum. The 1977 supplement updated the basic child development plan developed in 1973 in a number of areas. The two major priorities to guide investments in the child development program are...
projects which combine nurse-midwifery services with comprehensive home-based child development services and projects which provide day care to children of working mothers, especially in underserved areas. The state has confined its health program initiatives to the development of a number of primary care clinics serving medically underserved regions. Performance standards are provided to determine those projects which have the greatest potential for financial viability. The state's enterprise development program comprises industrial site development, industrial recruitment, applied research and technical assistance, financing, aid to existing industries and technical assistance in community development and preparation. The state will not propose major investments in education.

The state's threefold locational strategy is unchanged. First, efforts will continue to be made to capture the "economies of scale" that are basic to the growth area approach by concentrating investments in areas which have projected or experienced a potential for growth. Second, highest priority for investments which are designed to increase industrial development (manufacturing employment) will be given to urban centers. Second highest priority will be given to rural centers. Metropolitan centers will be given lowest priority for industrial development investments. At the same time all growth areas (metropolitan, urban and rural) will be eligible for such investments when it can be demonstrated that the proposed investment has a significant potential for stimulating economic growth. Finally, metropolitan centers will receive the highest priority for those investments which encourage region-serving activities (transportation, wholesaling, etc.) and can most effectively be conducted from a regional center.

Tennessee's functional programs are each given major or minor emphasis. Major emphasis is placed on nine development programs: industrial sites, water systems, sewer systems, highways, primary health care, child development, local development districts and enterprise development. Minor emphasis is given to eleven programs: solid waste systems; airports; vocational education construction and training programs; health facility construction or nonprimary care services delivery; libraries; higher education construction and nonvocational equipment; mental health construction; tourism; recreation construction; housing and regional education service agencies.

Five priorities are established to guide FY 1979 investment decisions in conjunction with the stated locational strategy. Priorities by type of investment are:

1. First priority — projects which are required by industries desiring to locate or expand in Tennessee or which are necessary to retain industries in the state.

2. Second priority — projects which create the conditions for future industrial growth such as industrial site development and water and sewer systems.
3. Third priority — human resource development projects which make residents of the Appalachian Region more employable.

4. Fourth priority — projects which improve the general conditions of the community, increasing the services it can provide and making it more viable economically.

5. Fifth priority — health and education projects designed to upgrade the human resource base.

Tennessee is now preparing a major revision of its Appalachian development plan which will be the basis for the state's FY 1980 investment program. All Appalachian Tennessee development districts have completed their second annual areawide action programs (AAPs). For the next and subsequent years, all AAPs will be prepared as part of the ongoing LDD Section 302 planning assistance grant process. The comprehensive industrial site evaluation undertaken in FY 1979 is underway and will be published as a separate study and made part of the FY 1980 plan. In addition the state is evaluating the status of municipal water and sewer systems in Appalachian Tennessee. This study will also be made part of the FY 1980 plan. Finally, the state has completed a study of the relative ability and effort of local governments in Appalachian Tennessee and this study will also be made part of the FY 1980 plan. The results are being used to determine ARC grant rates for FY 1979.

Citizen participation is an important factor in establishing the credibility of state investment priorities. The process of establishing district goals, objectives, strategies and investment project priorities has included citizens and local public agencies as well as the district boards and staffs. Tennessee has amended the plan of record to include a discussion of this issue, which is consistent with a recommendation made in the FY 1978 plan review. The procedure identifies the roles of local governments, local development districts and the state in the process of citizen participation and summarizes the approaches which the development districts employ to obtain it. The approaches include advisory committees and councils, public meetings, public information programs, arrangements for informal working sessions and provision for an active program for employment of minorities and females.
Abstract of Investment Program
for Fiscal Year 1979

Over 86 percent of Tennessee's requests for utilization of its area development allocation is for community development facilities. The bulk of the proposed commitments in that program's category is for industrial parks and selected water systems. The proposed projects clearly conform to the state's basic development strategy for the use of ARC funds. That strategy is to concentrate effort on basic economic development which increases most directly employment and whenever possible higher technology-type employment. The remaining 14 percent of requests is principally for continuation of health and child development operations programs and enterprise development and education proposals.

Summary of Fiscal Year 1979 Investment Program

<table>
<thead>
<tr>
<th>Proposed Funding</th>
<th>Number of Projects</th>
<th>ARC Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted Area Development</td>
<td>70</td>
<td>$ 18,416,370*</td>
</tr>
<tr>
<td>Allocation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Funding</td>
<td>2</td>
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<tr>
<td>Total</td>
<td>72</td>
<td>$ 18,881,370</td>
</tr>
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</table>

Note: The current adjusted area development allocation is $11,721,258.

PROPOSED FISCAL YEAR 1979 ADJUSTED AREA DEVELOPMENT ALLOCATION FUNDING AMONG PROGRAM AREAS

<table>
<thead>
<tr>
<th>Major Program Area</th>
<th>Percent of Total Dollars</th>
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<tbody>
<tr>
<td>Community Development</td>
<td>86.6%</td>
</tr>
<tr>
<td>Health</td>
<td>4.1</td>
</tr>
<tr>
<td>Enterprise Development</td>
<td>3.8</td>
</tr>
<tr>
<td>Education</td>
<td>2.8</td>
</tr>
<tr>
<td>Child Development</td>
<td>2.1</td>
</tr>
<tr>
<td>Other</td>
<td>0.6</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

*represents percent of the adjusted area development allocation
Commonwealth of Virginia
Appalachian Development Plan
and Investment Program

Appalachian Data and Development Trends

Appalachian counties: 21
Population (1977): 523,400
Employment (1977): 206,900
Unemployment rate (1977): 6.4%
Per capita income (1976): $4,806
Per capita income as percent of U.S. level (1976): 75%
Per capita income as percent of U.S. level (1970): 65%

The Appalachian portion of Virginia is one of the least urban areas in the Region. In 1970 only 29 percent of the population was clustered in communities of 1,000 or more inhabitants, compared with the regional average of 55 percent. Coal mining plays an important role in the area's economy. With the resurgence of the mining industry, the area has witnessed large increases in population, employment and income. Much of the growth occurred in the western coal-producing counties. In 1977 the unemployment rate was below U.S. and regional averages. The coal-producing counties had the lowest unemployment rates. Although per capita income is still very low, the growth rate between 1970 and 1976 was second only to Appalachian Kentucky. Again the coal-producing counties showed the best improvement with the fastest per capita income growth rate.

Abstract of Plan Objectives, Needs
and Priorities for Fiscal Year 1979

Virginia has submitted an update to its development plan for FY 1978 to guide its investment process for FY 1979. This update provides current data through 1976 for population, income, employment, unemployment, labor force and energy production and provides new sections addressing enterprise development and an expanded treatment of housing. The plan is divided into five parts: introduction, planning and program implementation, overview of the Appalachian Region of Virginia, economic development strategy and growth area analysis.
The main goals of Virginia's Appalachian development program are to (1) diversify the economy, (2) improve the management and utilization of natural resources, (3) support community development efforts, and (4) develop human resources. These goals support and reflect ARC's overall economic development goal. The Commonwealth has set expansion of the region's facilities and services and assurance of the wise use of its resources as program objectives whereby the main goals may be achieved. Several investment strategies are set forth which look to the individual benefits the project will provide as the projects combined contribution toward achievement of the overall economic development goal. Overall priority is given to those investments which are most likely to impact upon creating new jobs and raising income levels.

To insure that the objectives and priorities are met Virginia utilizes a project evaluation guide against which all new project proposals are measured. While the 1978 guide contained eight factors for evaluation purposes, two additional ones were added for 1979 together with a modification of one. Part I is concerned with growth area relationship, Part II with general relationship to economic development and new job creation with specific priority for vocation education relevance to job placement, Part III examines regional significance, Part IV (new) recognizes needs and priorities of the region, Part V recognizes the needs and priorities of each planning district commission, Part VI credits project innovativeness, Part VII encourages the use of ARC dollars to lever other funds, Part VIII recognizes financial need, Part IX (new) considers relative unemployment rates, and Part X reflects the Commonwealth's commitment to a project once it is selected for inclusion in the annual implementing investment program. The project evaluation guide sets forth the criteria by which all new projects are selected and then prioritized. It is the key mechanism to Virginia for carrying out its Appalachian program.

The introduction presents the historical setting and the philosophical context for Virginia's participation in the Appalachian program and concludes that plans are never final and need to be constantly adjusted to reflect changing conditions.

The planning and program implementation section describes the process followed by the state to prepare its annual development plan and implementing investment program. Planning district commission participation and the involvement of the public is emphasized. Explanation of the project evaluation guide is provided and Virginia's updated effort/ability is presented.

The overview chapter provides an up-to-date review of the Virginia portion of the Appalachian Region. It provides a general description of the geography of Appalachian Virginia and its land and water resources. Included is a demographic review with population data updated to 1976. Data are presented on a county and city basis with comparisons made of Appalachian Virginia to the state. Appalachian Virginia is on the upswing and exceeds the population recorded in 1960 and 1970. The Mount Rogers, New River Valley, the Fifth and Cumberland Plateau planning districts have 1976 populations greater than their 1960 populations. LENOWISCO, and Central Shenandoah districts, while not having populations
greater than in 1960, have reversed their net outmigration trend and actually show
greater population than in 1970. Energy production is stated to be a significant
factor in this new trend, but a dependence on "one industry," coal, is cited as a
major concern.

Income data are brought up to 1976 and show a considerable increase and a rate of
increase exceeding that for the state and the nation.

The education situation is a source of concern. It is shown that while public school
enrollment has increased, the number of teachers has decreased. Also there is a
smaller percentage of students graduating than in 1971 and smaller numbers of
graduates are continuing their education. The observation is made that these
findings may point to the need for more emphasis on career information and
counseling in the region's high schools, so that more students will formulate career
goals and take advantage of the educational opportunities available to them.

The chapter continues with discussions of labor force and employment rates
utilizing data through 1976. Like population, labor force showed significant
increases, the result of increased energy production and new industries within and
adjacent to the region. Discussion is provided of trends in basic versus nonbasic
industries as well as for individual employment sectors of the economy. Of note
are the following features of change: between 1970 and 1976, basic employment
decreased 4 percentage points while nonbasic employment increased by a like
amount; agricultural employment declined as did the number of farms and farm
acreage, while the number of farms with sales over $1,000 increased; while there
was a decline in manufacturing jobs in the early 1970s, recent events indicate
significant activity in new plant openings and jobs (major emphasis or electrical
equipment and machinery); timbering and wood-using industries provide good
potentials, but problems exist due to decentralized management, lack of
understanding of timber values and undercapitalization; production data are
provided for coal; and natural gas and oil by producing county; travel industry
expenditures by travelers (both direct and indirect) are presented by county and
city; and commutation patterns are provided for 1960 and 1970 - workers going
outside their county/city of residence increased from 23 percent in 1960 to 30
percent in 1970.

The economic development strategy section reviews past ARC investments by
project type and by development district and indicates the level of ARC, other
basic funds, state funds and local funds committed to projects; presents a needs
assessment which addresses water and sewer, housing, industrial development, solid
waste management, transportation, energy, environment and natural resources
(including forestry, mined-land reclamation, oil, natural gas, electricity,
hydroelectric power, nuclear power, coal, conservation, mineral resources and flood
control), recreation and tourism, education, health and child development, library
development; groups the needs assessment into 10 program areas and ranks the
same in terms of developmental significance for each planning district commission;
and presents the goals, objectives, investment strategies and the overall priority of
supporting and encouraging those public sector investments which impact upon
employment and income levels.
The plan recognizes housing as one of the most critical development needs in the region and further states that "The large portion of substandard housing units and the shortage of available sound housing discourages industries from locating within the area. The housing situation must be improved before the region can compete favorably for new industry or absorb expansion in energy development."

Fifteen growth areas are delineated in the growth area analysis chapter of the plan and the basis for their designation is presented. While Virginia concurs in the definition and approach to designation of special development opportunities as provided in Section 200A-4.4 of the ARC Code, it has chosen to submit special development opportunities for Commission approval under the 303 process. Special development opportunities will be included in association with enterprise development programs. Finally, the development plan provides a detailed statement of the procedure to be utilized in satisfying enterprise development planning requirements of Section 200C-15.

The Commonwealth's approach to planning for child development is to prepare an overview statement for the child development program in Virginia's Appalachian region after plans have been completed on a planning district basis. The Virginia Division for Children will serve as the primary state agency for review and comment on all state Appalachian plans, plan amendments and projects in the field of child development.

Similarly, the Health Systems Agencies, of which three are involved in the Appalachian region of Virginia, are to provide the overall planning for health services. After approval of the plans for the three HSAs, Virginia's Division of Special Programs will review HSA plans to identify those aspects or components which are appropriate for consideration under the ARC program and it is then the intent of the Commonwealth to prepare an overview of the ARC health program for incorporation into the state Appalachian development plan.
Abstract of Investment Program
for Fiscal Year 1979

Virginia's FY 1979 annual implementing investment program is submitted to the Appalachian Regional Commission for approval in accord with Section 200A-6.3 of the ARC Code by letter dated December 12, 1978, from Governor John N. Dalton.

Virginia employs a project evaluation guide in the selection and prioritization of its projects. The guide is designed to give highest priority to those investments which are most likely to impact upon creating new jobs and raising income levels. Application of the guide in 1979 has resulted in community development, housing and education, accounting for 86 percent of the total ARC dollars needed to fund the investment program.

Summary of Fiscal Year 1979 Investment Program

<table>
<thead>
<tr>
<th>Proposed Funding</th>
<th>Number of Projects</th>
<th>ARC Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted Area Development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allocation</td>
<td>40</td>
<td>$9,550,650*</td>
</tr>
<tr>
<td>Other Funding</td>
<td>9</td>
<td>665,500</td>
</tr>
<tr>
<td>Total</td>
<td>49</td>
<td>$10,216,150</td>
</tr>
</tbody>
</table>

Note: The current adjusted area development allocation is $7,925,549.

*represents 124 percent of the adjusted area development allocation

PROPOSED FISCAL YEAR 1979 ADJUSTED AREA DEVELOPMENT ALLOCATION FUNDING AMONG PROGRAM AREAS

<table>
<thead>
<tr>
<th>Major Program Areas</th>
<th>Percent of Total Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Development</td>
<td>61%</td>
</tr>
<tr>
<td>Housing</td>
<td>15</td>
</tr>
<tr>
<td>Education</td>
<td>10</td>
</tr>
<tr>
<td>Industrial Development</td>
<td>9</td>
</tr>
<tr>
<td>Research, Technical Assistance and Program Management</td>
<td>3</td>
</tr>
<tr>
<td>Child Development</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
State of West Virginia
Appalachian Development Plan
and Investment Program

Appalachian Data and Development Trends

Appalachian counties: 55
Population (1976): 1,859,400
Employment (1977): 644,000
Unemployment rate (1977): 7.1%
Per capita income (1976): $5,487
Per capita income as percent of U.S. level (1976): 86%
Per capita income as percent of U.S. level (1970): 77%

West Virginia, the only entire state included in the Appalachian Region, is a composite of diverse trends and conditions. The state began gaining population about 1970. However, the central metropolitan areas have continued to have either outmigration and slow total growth or a decline in population while surrounding urban and rural counties continue to grow in population at high rates, particularly in the southern part of the state. Economic growth has been accompanied by increased employment in trade and services, state and local government, and mining. Per capita incomes are much higher in the northern portion of the state, but the southern counties have been increasing at a greater rate. This trend is due in large part to the increasing amount of coal production in this area of the state. The 1977 unemployment rates were highest in rural counties and lowest in metropolitan areas. Fourteen counties experiencing over 10-percent unemployment were mostly located in the center of the state—an area of little or no coal mining.

Abstract of Plan Objectives, Needs and Priorities for Fiscal Year 1979

The state's regional planning process is carried out within the framework of the Governor's four goals for achieving balanced economic and community growth within the state. These are:

- to increase the flow of private capital investments in West Virginia
- to increase the number of jobs available to West Virginia workers
to reduce the income differentials by increasing per capita and per family income and 

... to organize the state's investment to upgrade the quality of life for West Virginia citizens

They are further defined and articulated in the regional development plans prepared by the eleven regional planning and development councils and in the goals and objectives section of the state development plan.

West Virginia's FY-1979 plan is intended to be a multipurpose management and development tool that will guide a wide range of federal, state and local development activities. It is a product of the regional development planning process mandated by the state's 1971 Regional Planning and Development Act. This process begins with the identification of needs and priorities normally accomplished at the local level through comprehensive and capital improvements planning. The second step is the preparation of regional (i.e., district) development plans, which identify areawide problems and needs, and goals, objectives and strategies to meet them. Each regional plan also contains a project priority list developed by local elected officials and interested citizens. These plans are submitted to the Governor for his review and comment. The final step in the annual process is the preparation of the state development plan. This document is based in large part on the regional plans submitted to the Governor. It also reflects or references functional state plans for housing, recreation, land use and transportation.

The FY 1979 state development plan presents a detailed picture of the physical and socioeconomic conditions of West Virginia; identifies developmental problems, needs and barriers; sets state goals and objectives; specifies a set of strategies to achieve these goals and objectives; identifies the state's growth centers, including the criteria for their selection; and describes the state's criteria for evaluating and selecting projects submitted to the Governor for his consideration.

The physical and socioeconomic analysis presented in the state development plan depicts West Virginia as a state abundant in natural resources, growing in population and prospering economically. For example, personal income rose 12.4 percent between 1976 and 1977, which is 2 percent higher than the national increase; unemployment has remained below the national average since 1974; and retail sales increased by $500 million during 1976. Even with these improvements there are many remaining problems, barriers and needs that must still be addressed by the state. These include specific issues in the areas of community facilities, economic development, housing, energy, land and natural resources, transportation, human resources and government.

In the community facilities area, the state has accorded high priority to the development of innovative, cost-efficient water and sewer systems, particularly in areas experiencing expanded or new mining activities, new plant locations or
expansions and other significant development thrusts. State community facility initiatives will also focus on solid waste systems, outdoor recreation facilities, community libraries and neighborhood improvements.

The state's economic development goals and objectives focus on industrial development, trade and tourism, and small business development. The growth and expansion of targeted industrial development will be aggressively promoted throughout West Virginia consistent with balanced community development and quality of life. Travel and tourism will be developed, marketed and promoted throughout the state to diversify and broaden West Virginia's economic base. The growth, development and independence of small business enterprises will be actively promoted.

In the area of housing, the state will concentrate on implementing eight specific objectives:

- substantially increase the rate of new housing construction in West Virginia
- rehabilitate and conserve the existing housing stock in West Virginia
- establish an effective administrative framework for housing planning and management in the state
- secure increased federal and state funding commitments for housing programs
- expand the level of private capital investment in housing
- insure fair and equal access to decent housing to all residents
- protect the rights of the consumer in all matters relating to housing and
- develop a comprehensive housing data and information base at the state level.

West Virginia's basic goal in the energy field is to promote economic prosperity and insure a safe environment through energy conservation, wise management of energy sources and development and use of viable competitive and alternative energy systems.

The state's land use and natural resource management objectives indicate a broad range of needed activities. These include:

- developing a unified statewide land use planning process
- establishing taxation policies that promote sound land use management
preserving the state's prime agriculture lands and capitalizing on the state's mineral and energy resources within accepted environmental constraints.

The state's transportation program for 1979 covers four modes: highways, rail, waterways, and air. Highway objectives include completion of a number of segments of the Interstate and Appalachian corridor systems. The state will also determine a final location for Corridor "H" between Scheer and Strasburg, Virginia. Projected rail activities include upgrading certain existing rail facilities throughout the state and providing state financial assistance to privately-owned railroads in order to assure continued operations in areas that would be adversely affected by discontinuance of rail service and abandonment of rural lines. With regard to waterways, the state will utilize ARC funds to generate data on industrial sites along West Virginia's navigable rivers and to do a riverport study and site analysis for the City of Huntington to capitalize on the Ohio River Commerce. In the field of air transportation, West Virginia will develop a state air system plan during FY 1979.

West Virginia will establish an interagency committee that will advise state agencies on matters concerning child development. These include:

- reporting, monitoring and evaluating existing programs
- consolidating services
- consolidating planning activities
- conducting training programs
- securing community involvement and
- advocating child development programs.

The ultimate goal of the child development program is to provide all children between the ages of 0 to 6 with the opportunity to fully develop their potential by providing access to services which enhance their physical, emotional, intellectual and social well being.

With regard to education, the plan emphasizes four areas: kindergarten through grade 12; vocational education; technical education; and higher education. The emphasis in the K-12 area is on the basic skills required to function in adult life—mathematics and reading. In the vocational and technical area, the plan emphasizes the need to continue providing specific support programs, including guidance counseling, and placement and follow-up services. The state's objectives for higher education relate to articulation of curricula, improving accessibility and efficient utilization of resources.
Investments in the health area will be guided by the state's existing health systems plan developed under the National Health Planning and Resources Development Act of 1974. Generally, health investments will be directed toward providing adequate basic health services, preventive health services and supporting essential secondary medical and mental health institutions.

West Virginia's strategy for improving the effectiveness of government within the state contains several action items, including the following:

- A comprehensive analysis of the state tax structure
- Revising of annexation laws
- Reorganizing of state government where necessary
- Training programs for local government officials
- Analyzing of the state's salary structure and personnel benefits and
- Strengthening the capacity of the regional planning and development councils to assist local governments.

West Virginia defines a system of growth areas, through identification of six regional growth centers, seven primary growth centers and 20 secondary growth centers. A center is classified by its population, economic and commercial characteristics, level of public facilities and services, and degree of accessibility. Individual projects will be selected on their relative ability to meet stated guidelines, keyed to a project's potential impact on economic growth and these areas. Criteria are also given for areas outside these designated growth centers where (1) individual communities may be identified as rural service centers, and (2) special development opportunities may be recognized at locations with unique growth potential. In both cases local jurisdictions will be eligible to receive assistance for the development of projects, if certain stated criteria are satisfied.

Finally, the plan sets forth criteria for the selection of projects submitted to the Governor for his approval. These criteria were developed as part of the ARC-funded state monitoring and evaluation process. They include:

- Potential of the project to stimulate economic growth, including likely impact on any designated growth center
- Degree of consistency with local, regional, state, federal and ARC goals
- Level of need for the service the project will provide, measured on terms of the surrounding area's capacity to provide a satisfactory level of public service
- Scope of the project, including an assessment of the number of jobs that will be created or retained
degree of previous investment in the geographic and program area, with highest priority being accorded to previously funded projects experiencing unavoidable overruns and projects which are components or links in a total development package.

extent of community involvement, including the degree of local financial commitment and evidence of public participation in the prioritization process.

readiness of the project, with highest priority being given to those projects which demonstrate a capacity to begin construction, operations, etc. as soon as funds are obligated and

intrinsic quality of the project, including consideration of emergency nature of the project; unique energy, conservation or utilization techniques; an applicants previous grant performance; and the degree of utilization of natural resources.
Abstract of Investment Program for Fiscal Year 1979

West Virginia's FY 1979 annual implementing investment program is submitted to the Appalachian Regional Commission for approval in accord with Section 200A-6.3 of the ARC Code by letter dated January 19, 1979 from Governor Rockefeller.

West Virginia continues to place increased emphasis on community development investments to alleviate the inadequacies in public facilities and services in the state. For this fiscal year, community development investments total 65 percent of all projects identified against the state's area development allocation. Other programs receiving attention this fiscal year include health (16 percent), education (6 percent), housing (5 percent), child development (4 percent) and research, demonstration and technical assistance activities (4 percent).

Summary of Fiscal Year 1979 Investment Program

<table>
<thead>
<tr>
<th>Proposed Funding</th>
<th>Number of Projects</th>
<th>ARC Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted Area Development Allocation</td>
<td>83</td>
<td>$14,693,870*</td>
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<tr>
<td>Other Funding</td>
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Note: The current adjusted area development allocation is $10,218,808.

*represents 144 percent of the adjusted area development allocation

PROPOSED FISCAL YEAR 1979 ADJUSTED AREA DEVELOPMENT ALLOCATION FUNDING AMONG PROGRAM AREAS

<table>
<thead>
<tr>
<th>Major Program Area</th>
<th>Percent of Total Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Development</td>
<td>65%</td>
</tr>
<tr>
<td>Health</td>
<td>16%</td>
</tr>
<tr>
<td>Child Development</td>
<td>4%</td>
</tr>
<tr>
<td>Housing</td>
<td>5%</td>
</tr>
<tr>
<td>Education</td>
<td>6%</td>
</tr>
<tr>
<td>Research, Demonstration and Technical Assistance</td>
<td>4%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>
APPALACHIAN REGIONAL COMMISSION

Robert W. Scott
Federal Cochairman
William E. Albers
Alternate Federal Cochairman

Gov. Hugh L. Carey
New York
States' Cochairman
Leonard E. Schwartz
States' Washington Representative

GOVERNORS AND STATE ALTERNATES

Alabama
GOV. FOB JAMES
Bobby A. Davis

Georgia
GOV. GEORGE BÚSBEE
Robert Wayne Haislen

Kentucky
GOV. JULIAN M. CARROLL
William L. Short

Maryland
GOV. HARRY R. HUGHES
Hans F. Mayer

Mississippi
GOV. CLIFF FINCH
Windle Davis

New York
GOV. HUGH L. CAREY
Basil A. Paterson

North Carolina
GOV. JAMES B. HUNT, JR.
Joseph W. Grimsley

Ohio
GOV. JAMES A. RHODES
Dr. Bennett J. Cooper

Pennsylvania
GOV. DICK L. THORNBURGH
Frank B. Robinson

South Carolina
GOV. RICHARD W. RILEY
Donald Hinson

Tennessee
GOV. LAMAR ALEXANDER
James C. Cotham III

Virginia
GOV. JOHN N. DALTON
Maurice B. Rowe

West Virginia
GOV. JOHN D. ROCKEFELLER IV
Daniel S. Green

Henry H. Krevor
Executive Director