

Commonwealth of Pennsylvania

Appalachian Development Plan

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II. Executive Summary

Pennsylvania Gets It Done. As our new *Ten-Year Strategic Plan for Economic Development* states, "it is critical that the Commonwealth maintain and advance competitiveness and deliver real results for the 13 million people and 1.2 million businesses that call Pennsylvania home." And it goes without saying, the people, communities and businesses in the Commonwealth's 52 Appalachian counties must be part of our "comprehensive roadmap to compete and win regionally, nationally and globally." This Pennsylvania Appalachian Development Plan embodies the goals, objectives, and strategies to help us communicate priorities across Appalachia PA.

Pennsylvania has one of the largest rural populations in the nation and significant improvements have been made to continue helping our most rural areas reach economic parity with the rest of the nation. However, Appalachia Pennsylvania is still vulnerable. As the Commonwealth works to meet the demands of this century, our Appalachian communities and residents must position themselves to be full partners in the changing world economy.

A vibrant rural community is a place of opportunity. It works cooperatively with its neighbors to address the many issues that span political boundaries in order to enhance the quality of life.

A vital rural community offers its young and mature workers alike the education needed to meet the challenges of changing economies and works to provide its citizens with economic opportunities that offer incomes adequate to support their families. A healthy rural economy should sustain rather than strain the natural environment.

Above all else, a strong rural community is made up of individuals, businesses and partners who are committed to their community and who are active and willing participants in community efforts to undertake positive change.

Pennsylvania's plan for our 52 Appalachian counties has been created to unite leaders in the public, private, nonprofit, and academic sectors behind common goals.

Despite the success of the partnership established by Pennsylvania and the Appalachian Regional Commission (ARC) – there is still work to be done and goals to accomplish. Competitor states have invested in, and focused on, economic development while Pennsylvania has lacked a thoughtful, targeted game plan and serious investment. With our new economic strategy, coupled with the resources of the ARC, the Commonwealth will have a vision and strategy that unites leaders in the public, private, nonprofit and academic sectors behind common goals to enhance the vitality and strength of Appalachia.

For Pennsylvania to maintain and advance our economic competitiveness, we must double down on our strengths while investing in those areas where we need to grow. By leveraging Pennsylvania's strengths: an outstanding workforce; diverse and interconnected industry clusters; hubs of innovation; excellent institutions of higher education and technical schools; plus our

geographic proximity to major U.S. markets, we will integrate PA’s economic development activities across the five ARC strategic goals.

With this ARC plan, Pennsylvania reaffirms its commitment to a successful partnership that will raise the level of community and economic revitalization across our Appalachian region.

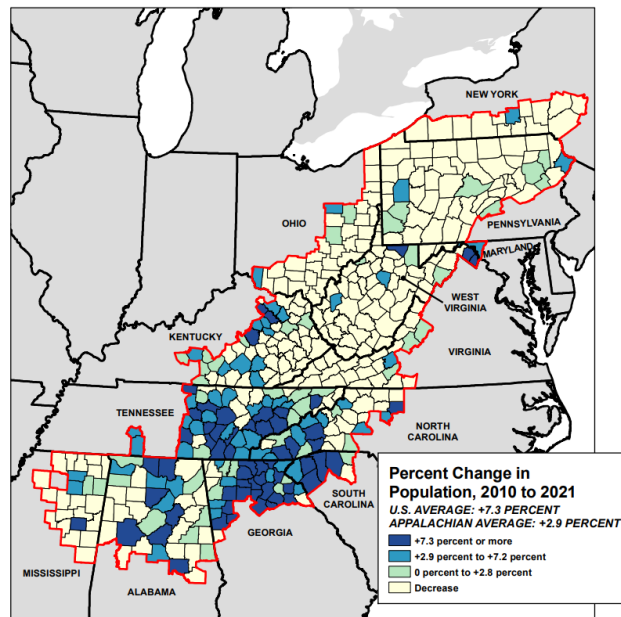
III. Overview and Assessment of Appalachian Pennsylvania

Fifty-two of Pennsylvania’s sixty-seven counties are located within the Appalachian Region. It is a region dominated in many respects by one large central city of national prominence, Pittsburgh, but also contains much smaller communities and rural areas in varying degrees of distress. Many of these communities are still struggling to identify and develop an economic foundation that will hopefully provide the vibrancy needed to provide good jobs, physical infrastructure, and social structure in order to sustain growth and entrepreneurial development.

POPULATION

According to the 2021 U.S. Census, Pennsylvania has a population of 12,970,650. Of that number, nearly 5.8 million people call Appalachia their home, the highest by far of any ARC state. They live, work and play in a land area of 36,444 square miles, also the highest of any of the 13 member states. Appalachia PA, along with other Northern ARC states, continue to experience population loss. This outmigration impacts us in many ways such as challenges with workforce, health care, civic capacity and educational attainment.

Figure 1.2: Population Change in the Appalachian Region, July 1, 2010 to July 1, 2021



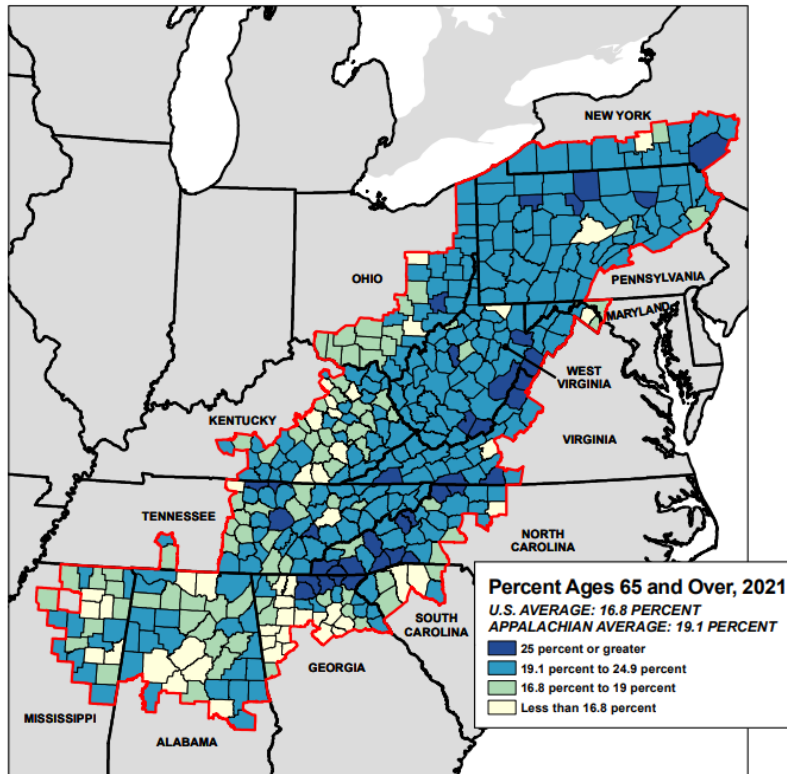
Map Title: Population Change in the Appalachian Region, July 1, 2010 to July 1, 2021
Data Sources: U.S. Census Bureau, Vintage 2020 and Vintage 2021 Population Estimates.

AGE

As of mid-2021, the share of children and youth under age 18 in the Appalachian population was slightly below the national average of 22.2 percent. In 167 of the Region’s 423 counties, the share was less than 20 percent. Most of these counties were outside metropolitan areas, with concentrations in Pennsylvania, West Virginia, Virginia, North Carolina, and Tennessee.

The share of residents ages 65 and over in the Appalachian Region exceeded the national average by more than two percentage points in 2021. Moreover, the percentage of persons in this age group matched or exceeded the U.S. share in 376 of the 423 Appalachian counties—and was at least 19.1% in 291 of them. An aging workforce in Pennsylvania, coupled with increased concerns about access to affordable health care, continues to reinforce the need for efforts to reach parity with the rest of the nation.

Figure 2.4: Percent of Population in the Appalachian Region Ages 65 and Over, July 1, 2021

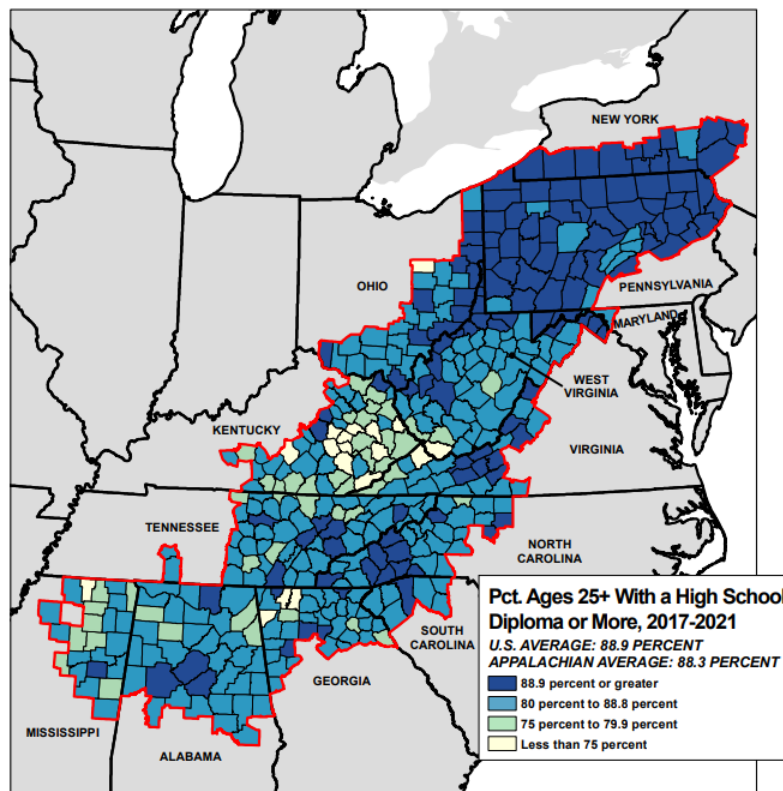


Map Title: Percent of Population in the Appalachian Region Ages 65 and Over, July 1, 2021
Data Source: U.S. Census Bureau, Vintage 2021 Population Estimates.

EDUCATION

Although the share of Appalachian adults with at least a high school diploma was slightly below the national average for the 2017-2021 period, it matched or exceeded the national share in 130 counties in the Region—108 of which were either in Northern Appalachia or in metropolitan areas. The rates were especially high in the Appalachian sections of Pennsylvania and New York, where the share of adults who had completed high school was 92.3% and nearly 91%, respectively. This positions Pennsylvania to harness the educational attainment of our graduates as we work to retain our future leaders.

Figure 5.1: Percent of Persons Ages 25 and Over in the Appalachian Region With a High School Diploma or More, 2017-2021

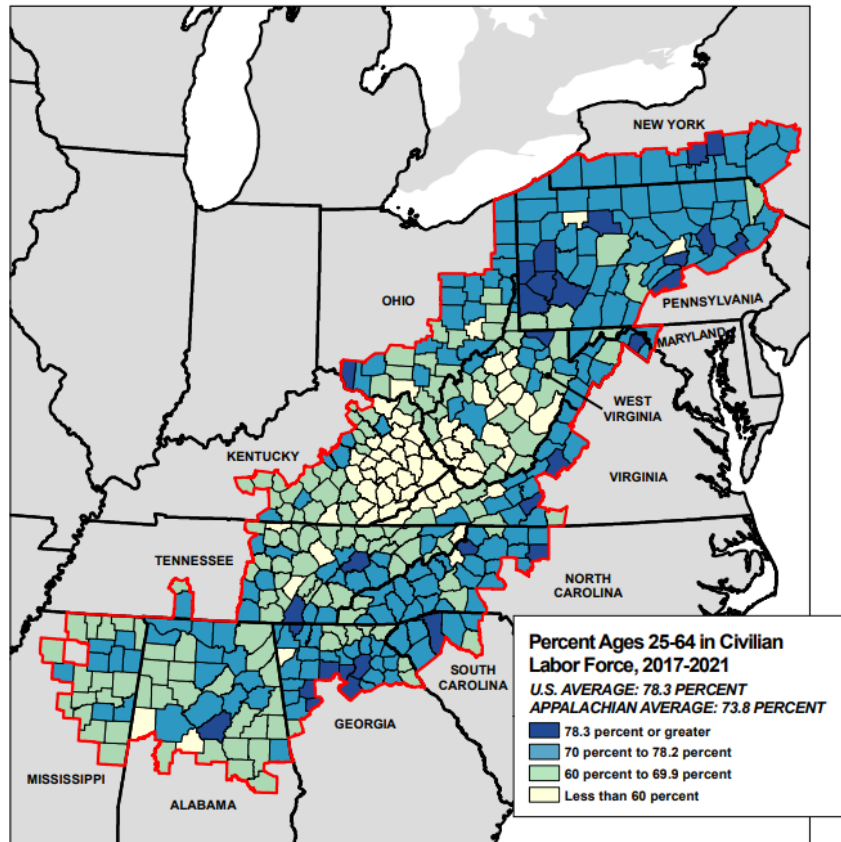


Map Title: Percent of Persons Ages 25 and Over in the Appalachian Region With a High School Diploma or More, 2017-2021
Data Source: U.S. Census Bureau, 2017-2021 American Community Survey

LABOR FORCE

In the 2017-2021 period, 73.8% of Appalachia's civilian population in the prime working ages (ages 25 to 64) were in the civilian labor force, more than four percentage points below the U.S. average of 78.3%. Appalachian Pennsylvania had 2.26 million persons in the civilian labor force.

Figure 6.1: Percent of Persons Ages 25 to 64 in the Appalachian Region Who Are In the Civilian Labor Force, 2017-2021

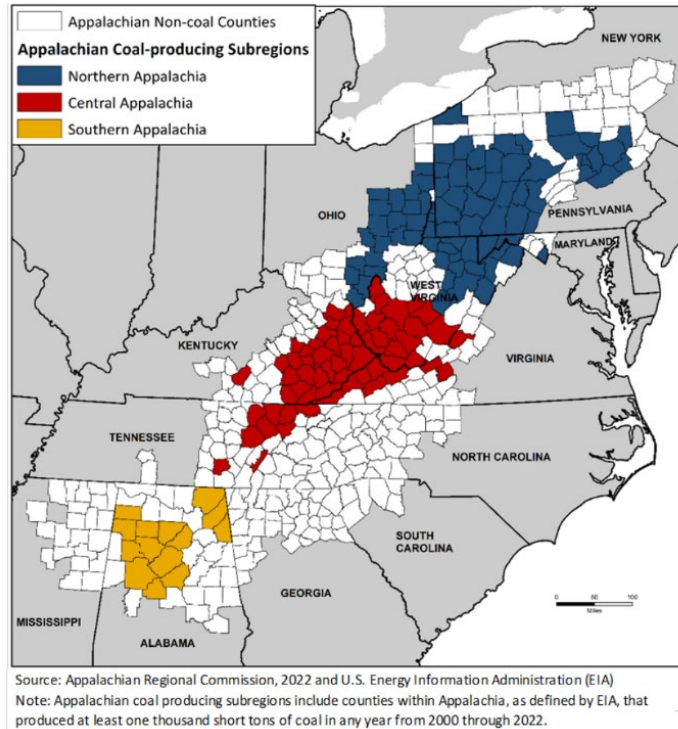


Map Title: Percent of Persons Ages 25 to 64 in the Appalachian Region Who Are In the Civilian Labor Force, 2017-2021
Data Source: U.S. Census Bureau, 2017-2021 American Community Survey.

COAL PRODUCTION

Coal production in Pennsylvania rose significantly in 2021 and 2022 following the world economy's recovery from the COVID-19 pandemic. Coal production is expected to continue to rise through 2024 before declining gradually over the long term.

Figure 2: Appalachian Coal-producing Subregions and Appalachian Non-coal Counties



HEALTH

According to the PA Office of Rural Health, rural Pennsylvania faces challenges specific to its population and location. On average, residents are older, prone to health issues, and financially disadvantaged. Access to health care is often limited, and policies aimed at improving access don't always have the same impact on urban and rural residents. In the winter, ice and snow on those scenic winding roads make driving conditions hazardous. Disparities exist in educational and employment status, and the economic hits to manufacturing and industry sectors have taken a toll on already impoverished residents. Appalachia PA faces a pressing need for more health care professionals. As an example, urban locations are better supplied by physicians with a 1:267 resident to physician ration vs a 1:586 ration for rural residents.

People living in rural Pennsylvania choose to do so. Despite challenges, they are dedicated to their home. They deserve the same dedication to efforts to improve their communities' health as well as their own.

REGIONAL PROFILES (As Reported by PA’s Seven Local Development Districts)

SOUTHWEST REGION

The Southwest Region Local Development District (LDD) spans nine counties—Allegheny, Armstrong, Beaver, Butler, Fayette, Greene, Indiana, Washington, and Westmoreland—and 524 municipal governments. Geographically, the LDD region covers approximately 6,750 square miles.

The U.S. Census Bureau’s population estimate for the nine-county LDD region is 2,471,793. Based on the same U.S. Census Bureau’s population estimates dataset, the southwest region ranks 36th in terms of population, between Kansas and New Mexico. In terms of land area, the region ranks 47th and is larger than the states of Connecticut, Delaware, Hawaii, and Rhode Island.

The distribution of population declines and increases varies around the region, with the bulk of population declines taking place in older, urbanized industrial centers, corresponding to economic shifts in the last several decades. According to the American Community Survey (ACS), the income per capita in the southwest region (\$36,693) is 3.3% higher than the average across Pennsylvania (\$35,518) and is 3.7% higher than the national average (\$35,384). The median household income in the region (\$61,645) is 3.6% less than the Pennsylvania figure (\$63,953) and 5.7% less than the national figure (\$65,375).

According to the Bureau of Economic Analysis (BEA) Local Area Personal Income (LAPI) program estimate, employment in manufacturing is 6.1% of the regional workforce. The services sector, including education and healthcare services employs the bulk of the region’s workforce. Financial services, education, government enterprise, retail trade and transportation/warehousing are also important industries as well. The region’s economy benefits from its wealth of colleges and universities, which also support employment growth in high-skilled and high technology occupations. The region has approximately three dozen colleges and universities, enrolling approximately 130,000 students.

The Mergent Intellect employment database estimates approximately 296,000 individual business establishments of all sizes in all industries in the southwest region, including large national companies such as: Alcoa, Inc., H.J. Heinz Co., BNY Mellon Financial Corporation, PPG Industries, Inc., U.S. Steel, PNC Bank, Consol Energy, WESCO International, Inc., Mylan and Dick’s Sporting Goods. The Bureau of Economic Analysis (BEA) estimates 1.5 million non-farm workers in the southwest region. Sectors cited by workforce and economic development agencies as key growth opportunities include advanced manufacturing, financial and back-office services, information technology and life sciences. Energy and transportation remain important parts of the regional economy as well due to continuing demand for coal as a regional export commodity and the Marcellus and Utica Shale industries.

Along with its urban base, southwest Pennsylvania has significant agricultural resources. The agricultural industry remains a vital aspect of the region’s economy, way of life and cultural

heritage. The region has 7,991 farms and employs 1.1% of the workforce. Local foods have become a focal point for many communities, evidenced by the 210 farmers markets across the region.

CENTRAL REGION

The 11-county region served by the SEDA-COG LDD (Centre, Clinton, Columbia, Juniata, Lycoming, Mifflin, Montour, Northumberland, Perry, Snyder, and Union counties) is predominantly rural, and is situated in Pennsylvania's heartland. Scattered across the region are several mostly small urban centers. Its topography, chiefly the Susquehanna River system and the ridges of the Appalachian Mountains, have markedly influenced the region's economic development. The urban centers are overwhelmingly found along the Susquehanna and its tributaries where most of the region's economic activity, development, and growth have also occurred in the form of industry, commerce, and services. These same centers are subject to significant periodic flooding, which has served as a barrier to long-term economic growth. The most recent severe flooding event occurred in 2011 from Tropical Storm Lee when over 12 inches of rainfall over 5 days was recorded. The central region covers a land area of 6,296 square miles, which represents 14% of Pennsylvania's total land area of 44,742 square miles. In contrast, the region's 2021 population was 684,654, which represents only 5.3% of the total population of Pennsylvania.

The region has a favorable geographical location and is in proximity to nearly 50% of the U.S. population, meaning much of this consumer market is within four to eight hours driving distance from the heart of the region. The region also has an abundance of land potentially available for development; seven stand-alone institutions and numerous satellite sites of higher education; and significant deposits of mineral resources. The north and east sections of the central region are home to a portion of Marcellus and Utica Shale, geological formations that contain high concentrations of natural gas deposits. Forest resources are extensive, providing timber for the wood and housing industry. The region also has a natural setting that favors the increasingly important tourism and recreation sectors of the economy, particularly along the river corridors.

Between 2000 and 2020, the central region's total population grew by 2.9%, with individual county growth ranging from a high of 16.5% in Centre County to Lycoming County's negative growth of -4.9%. Five counties in the region experienced negative growth: Montour (-0.5%), Mifflin (-0.7%), Clinton (-1.2%), Northumberland (-3.1%) and Lycoming (-4.9%). During this 20-year period, the Commonwealth's rate of growth was 5.9%, 3% higher than the central region. Of SEDA-COG's 11 counties, one had a growth rate higher than the state during this 20-year period. Centre County experienced the highest growth rate (16.5%) followed by Snyder (5.8%), Perry (5.1%), Juniata (3.0%), Union (2.5%), and Columbia (0.9%) counties.

According to the 2020 U.S. Census Bureau's County Business Patterns, total manufacturing jobs in this region declined by 18.6% from 2008 to 2020, while the state's manufacturing jobs decreased by 13.7% for the same timeframe. It should be noted that 9 of the 11 counties in the region had a decrease in manufacturing jobs between 2008 and 2020. The only county to experience an increase

in manufacturing jobs was Juniata County with a 27.6% increase (2,038 manufacturing jobs in 2008 increased to 2,600 manufacturing jobs in 2020). The percentage of total jobs in the region represented by manufacturing jobs declined from 19.6% in 2008 to 15.9% in 2020. Statewide, the percentage of total jobs in the manufacturing sector from 2008 to 2020 was 12.2% and 9.9% respectively. Although declining, the central region continues to be more dependent on the manufacturing sector for jobs than the state at large.

NORTH CENTRAL REGION

The North Central Pennsylvania Regional Planning and Development Commission delivers a wide range of economic, community, infrastructure, human services, and technology programs for Cameron, Clearfield, Elk, Jefferson, McKean, and Potter Counties in North Central Pennsylvania.

The six-county region is in the heart of the “Pennsylvania Wilds,” covering 5,080 square miles with the northern section of the region following the Pennsylvania/New York border extending to Interstate 80 in the south. The region is within 250 miles of cities such as: Harrisburg, Philadelphia, Buffalo, New York City, Baltimore and Washington DC, and Cleveland.

The primary transportation corridors that link the North Central Region to these cities are Interstate 80 running east to west along the southern part of the region and US Route 219, which runs north to south through the middle of the region. The City of Bradford at the region’s northern extent is just 80 miles, or a 100-minute drive, from the Peace Bridge and the Canadian border at Buffalo, NY. Route 6 in Pennsylvania, named by National Geographic as one of America’s most scenic drives, links the communities along the region’s northern border.

The North Central Region is home to more than 1.3 million acres of public forestland, including half of the 513,000- acre Allegheny National Forest, the Commonwealth’s only national park. The region also claims 29 state parks on more than 27,600 acres and eight state forest districts. These resources provide residents direct access to some of the best outdoor recreation in the world, as well as opportunities to capitalize on recreational tourism.

North Central Pennsylvania is rural, non-farm and small town in character. The population of the region from the 2020 Census was 217,419 and has dropped to 212,679 as of 2022. This is a continued trend of population decline across the region which is home to 155 municipalities with only 25 municipalities with populations greater than 2,500 and only nine with populations above 5,000. The region encompasses one of the most rural portions of Pennsylvania and has a population density of less than 42 people per square mile. The seven largest municipalities contain approximately 27% of the region’s population while state and federally owned properties encompass nearly 25% of the region’s land mass. The urban centers of Bradford, DuBois, and St Mary’s are the only chartered cities in the North Central region. The U.S. Census Bureau classifies these as urban centers of micropolitan statistical areas, or areas that do not have the economic or political importance of larger cities, yet are significant centers of population and production, drawing workers and shoppers from a broader area.

In addition to population decline, the region also faces an aging population with approximately one in five residents now over the age of 65 with a projection of one in four residents projected to be over the age of 65 by 2030. The median age for the region is 46.4.

Manufacturing (especially powdered metals and metal fabrication), health care and social assistance, retail trade, transportation and warehousing, and accommodation and food services (especially along the Interstate 80 corridor in Clearfield and Jefferson counties) are the top five major employment sectors of the region. Employment is concentrated in five major industry clusters: metal and product manufacturing, coal/oil/power, machinery manufacturing, electric/electronics manufacturing, and chemical. The region's top 10 employers span both public and private sectors and are: Wal-Mart Associates Inc, State Government, Penn Highlands Healthcare, Federal Government, Cen-Clear Child Services Inc, Metal Powder Products LLC, Zippo Manufacturing Co, DuBois Area School District, Beverage Air Corporation, Sheetz, Inc.

NORTHEASTERN REGION

The Northeastern Pennsylvania region served by NEPA Alliance represents a diverse landscape including urban cities, small towns, rural farms and natural areas. The region is within the Appalachian Mountain Chain and serves as a key watershed area for the Susquehanna River, which drains into the Chesapeake Bay and the Delaware River Basin that serves the Greater Philadelphia region. The seven-county region is a 4,476 square mile area that includes Carbon, Lackawanna, Luzerne, Monroe, Pike, Schuylkill, and Wayne counties. Its major urban centers are primarily concentrated in the 87 miles stretching from the city of Carbondale in Lackawanna County through the Wyoming Valley to the city of Nanticoke and then following Interstate 81 south to the cities of Hazleton and Pottsville. The major cities within this belt are Scranton and Wilkes-Barre.

Northeastern Pennsylvania enjoys a diversified economic base. The region continues to be extremely competitive and successful as a location for warehousing, logistics and distribution centers, back-office call centers, medical and health-related office facilities and processing centers, and food processing and distribution. Employment reflects the overall diversification of the region, although the health care and social assistance (20.0%), retail trade (14.8%), manufacturing (13.0%), and accommodation and food service (11.0%) sectors account for over 58% of total employment. Additional industry clusters include defense contractors, plastics and aerospace/space. Organic agriculture and hydroponics clusters are also forming.

Northeastern Pennsylvania's business base is overwhelmingly dominated by small businesses. According to 2020 "County Business Patterns" from the U.S. Census Bureau, there were 21,689 businesses in the region and 72.6% of them employed between 1 and 9 people. The single largest industry sectors by employment are: 1) health care and social assistance, 2) retail trade and 3) manufacturing. Employment in the manufacturing sector is dominated by the electronics, food and beverage, fabricated metal products and the plastics and rubber products industries.

Due to its proximity to major markets, excellent interstate highway connectivity and available land, coupled with an available and trainable labor force, the Northeastern Pennsylvania region

(especially the Interstate 81 Corridor) has been able to attract considerable investment from logistics-related businesses.

Historically, the population in the region peaked at 1,118,580 according to the 1930 Census before declining to 873,891 in 1970. The population increased to 1,031,048 in 2022. The population has also become more diverse. In 2010, the region's population had a minority percentage of 13.5 percent. In 2020, the percentage rose to 21.9%.

Overall, the region continues to experience a high median age. According to American Community Survey 5-Year Estimates the median age in the United States was 38.2 years, in Pennsylvania, it was 40.9 years, and the average in the region was 45.2 years.

According to the U.S. Department of Commerce Bureau of Economic Analysis, the 2021 per capita personal income in the region (\$53,137) was below that of the state (\$64,279) and the nation (\$64,143).

The region's transportation system is poised for significant growth. Amtrak is planning to provide passenger rail service from New York City to Scranton. This service will be along the Lackawanna Cutoff with stops in Pennsylvania at Tobyhanna, Mount Pocono and East Stroudsburg. PennDOT is in the planning stages of I-81 expansion (from 4 to 6 lanes) from Clarks Summit to Wilkes-Barre. PennDOT is also poised to make a major investment in I-80 reconstruction in the coming years in Monroe County to improve safety and efficiencies.

Housing costs within the region are lower than in the state and nation. According to the American Community Survey 5-year estimates from the U.S. Census Bureau, the region has a lower median housing value and median rent than the state and nation. This indicates that low housing costs can be an attraction for businesses to locate to the region. In the downtown areas of Scranton and Wilkes-Barre, there has been a major development in the quantity of rental housing. Commercial buildings have been converted into apartments.

The Pocono Mountains provide many recreational activities that attract visitors to the region. According to a 2018 Visitor Report about the Pocono Mountains from Longwoods Travel USA, which is the most current available, there were an estimated 27.8 million total person-trips that consisted of 10.1 million overnight trips and 17.7-million-day trips during 2018. Total spending from overnight visits was \$1.667 billion. One of the counties in the Pocono Mountains, Monroe County, has experienced a substantial increase in employment in the tourism industry with the addition to existing lodging, meeting space and the water park at Kalahari Resorts and Conventions in Pocono Manor. Other waterparks that have benefited from the additional tourism in the area are: Great Wolf Lodge, H2Oooohh, Aquatopia and Camelbeach. These waterparks have resulted in visitors extending their stay resulting in an increase in tourism-related spending.

NORTHERN TIER REGION

Pennsylvania's Northern Tier is a geographic region consisting of five rural counties: Bradford, Sullivan, Susquehanna, Tioga, and Wyoming. The Northern Tier encompasses about 4,000 square miles and is home to approximately 171,355 residents. The region has natural affinities to the Southern Tier of New York State, as it borders four adjacent New York counties and is influenced by the employment centers of Binghamton, Elmira, and Corning. Similarly, strong relationships exist with the economic centers of Williamsport, Pennsylvania to the southwest and the Scranton/Wilkes-Barre region of Pennsylvania to the southeast. The Northern Tier region is cascaded with gorgeous rural countryside and thriving small towns and communities. The region includes 166 separate municipalities and 19 public school districts, resulting in one local government for approximately every thousand residents.

Some of the largest industries in the Northern Tier region include agriculture, manufacturing, oil and gas, and health care. The top four employers in the region include Procter & Gamble, Robert Packer Hospital, Cargill Meat Solutions, and Guthrie Medical Group. The agriculture industry in the region has declined in the past decade. Currently, there are 2,200 individuals in the region employed in the agriculture, forestry, fishing & hunting industry, however, that is expected to increase 4.1% by 2030.

In the Northern Tier region, health care and social assistance accounted for the highest employment base at 9,183 employees. Retail trade accounted for 6,776 employees, education services accounted for 3,880 employees, and accommodation and food services accounted for 4,271 employees. The Pennsylvania Department of Labor and Industry estimates that from 2020-2030, construction, education & health services and accommodation and food services account for the most anticipated growth in the region. According to Long-Term Industry Projections for the Northern Tier Workforce Area, total employment is expected to increase by 2.9%, adding 1,730 total jobs. Significant increases in industry employment within the region include construction at 5.2%, retail trade at 4.6%, transportation and warehousing at 4.8%, healthcare and social assistance at 4.7%, and accommodation and food service at 15.5%.

Manufacturing employs a significant portion of workers in the Northern Tier region. Paper manufacturing is the largest sector of the manufacturing industry in the region with the largest manufacturing plant housing 38.7% of manufacturing employees. The paper manufacturing sector includes paper mill activities and manufacturing of converted paper products such as boxes, bags, and stationery. The transportation equipment manufacturing sector is the second-largest sector in the manufacturing industry. This sector includes manufacturing of motor vehicles and motor vehicle parts, manufacturing of aerospace parts and railroad rolling stock, and shipbuilding components.

Since 2008, the region has experienced many economic changes with the oil and gas industry cluster. Pennsylvania's marketed natural gas production, primarily from the Marcellus Shale, reached a record 7.6 trillion cubic feet in 2021, and the state is the nation's second-largest natural gas producer after Texas. The Northern Tier region is located at the very center of the natural gas

drilling that is taking place in the Commonwealth of Pennsylvania. As of January 2023, all five counties in the Northern Tier region are ranked in the top 10 highest gas producing counties in the state, with Susquehanna County leading in production. The oil and gas industry has had, and will continue to have, a significant impact on population, economic development, and the overall identity of the region.

The Marcellus Shale industry's increased presence affects not only local businesses and individuals, but also businesses statewide, nationwide, and internationally. The local impact has been, however, one of major proportions. According to the Marcellus Shale Education and Training Center, supplies and services are often purchased locally, such as items and equipment used for road and well-paid construction, local construction and trucking services, motel rooms, and other services which are not specialized to the natural gas industry. Many businesses throughout the region have increased their sales because of the Marcellus Shale development and the business it has spurred in the community. In addition, local infrastructure has seen more investment to make it viable for responsible development but is also still an important need.

Throughout the past several years, the conversation about natural gas has stretched far beyond just production of the vast resource. Residents and businesses see the value in the low-cost energy and would like to utilize it to run their businesses and homes more efficiently and to utilize the gas where it is produced, rather than shipping it out of the region. Several projects have been completed to enhance and bring natural gas infrastructure to the region including a multi-phase pipeline project developed in Wyoming County, which supplied natural gas to homeowners and businesses in Tunkhannock Township and Tunkhannock Borough.

NORTHWEST REGION

Bordered on the north by New York and on the west by Ohio, the Northwest Region is comprised of Clarion, Crawford, Erie, Forest, Lawrence, Mercer, Venango, and Warren counties. The 2020 census population estimates indicate that the region had a population of 684,837, which is a 4.3 percent decrease from 2010 (716,501). This trend of population loss has been persistent since the 1970's.

The region has a diverse mix of urban and rural areas. For example, 2020 census estimates indicate that Erie is Pennsylvania's fourth largest city, while Forest County is the third smallest county in terms of population. Approximately 80% of the population is in the western portion of the region, with heavy concentrations in and around the City of Erie, the Shenango Valley in Mercer County, and the City of New Castle in Lawrence County. The eastern portion of the region is predominantly rural and forested.

The region's population continues a multi-decade, slow decline. Population losses have accelerated in the last 5 years. The population in Northwest Pennsylvania currently stands at 685,000 after shrinking over 4 percent in the last 10 years. Looking back over 50 years, the region enjoyed positive population growth in the 70's, followed by steep declines in the 80s and a few

years of growth in the early 90s. In total, the region's population has shrunk by 6.4% over the past 50 years, resulting in a loss of over 46,800 individuals.

Erie County comprises about 40% of the 8-county region's population and enjoys more modest rates of decline than other counties. Venango, Mercer, and Lawrence counties' population declined fastest when compared to other Northwest counties in the last 10 years. Statewide population growth is positive and about one-quarter of US growth rates.

The region's population is over-represented for persons nearing or entering retirement, while younger and mid-career workers are under-represented. Northwest Pennsylvania added 23,000 retirees to its population while it lost 54,000 people under the age of 65 in 10 years. The region is losing most ground in the 40–54-year-old population. The region's population has a higher percentage of persons over 65 years of age than the national average.

Erie County's population is the most age-diverse of the Northwest region and has a high share of working-age adults. The working-age share fell in all counties, except for Clarion County. As people live longer, fewer workers are available to support the economy and retiree populations, which can cause labor shortages. Warren and Venango have 40% more people in retirement than the U.S., for example. The age group 25-44 has about 15% fewer persons in the region than the U.S. average.

The region's education levels for the working-age population are below U.S. levels but improving. In total, 54% of working-age adults have post-secondary education and 28% have a bachelor's degree or higher. Younger workers 25-34 years old are closing the gap with the U.S. with 33% having a bachelor's degree and Erie County having the highest rate at 39%. High school graduation levels in the region exceed U.S. levels for all working-age adults as well as 25–34-year-olds.

While there has been meaningful growth in per capita income for all counties within the region, the per capita incomes in the region fall below both the state and national levels for both percentage growth and absolute values. The per capita income for the region stood at \$44,470 in 2020. Per capita income levels are growing but still only reach about 78% of U.S. levels. The region's per capita income has been steadily losing ground against the U.S. for the past 10 years. Cycles of growth and decline in employment levels have occurred over the last 20 years. Recently the region lost 10,000 jobs over the last 5 years, primarily in retail, transportation, and manufacturing industries.

Industry cluster analysis provides a more detailed look at job creation, with more than 30 industries clusters examined. Growth industries in the region include the large health care cluster and mid-sized clusters in construction, finance and professional services. Small but high-growth emerging clusters are in aerospace, research, and software/IT. The regional economy continues to shift to higher skilled positions.

Medical fields are in high demand and science and engineering positions are growing. Lower skill positions in truck driving remain in high demand. Financial and business occupations are also

experiencing modest growth. Health care, including government hospitals, is the largest industry cluster in Northwest Pennsylvania, with 53,000 workers. The region has about 40% more jobs per worker than typically seen across the U.S. Other industries are non-profits and manufacturing clusters such as materials, metal working, industrial machinery, and energy. The region enjoys several smaller high-growth clusters that may offer opportunities for continued growth in the future: Agribusiness and food, furniture, and mining/logging. Small clusters that are considered emerging clusters include aerospace, research, and software/IT.

SOUTHERN ALLEGHENIES REGION

The Southern Alleghenies Region is comprised of six counties (Bedford, Blair, Cambria, Fulton, Huntingdon, and Somerset) in south-central Pennsylvania. Most of the region is rural and forested with a land area of 3,400 square miles and a population of 436,648 (U.S. Census, 2020). The region's top industry sectors are health care and social assistance, retail trade, and manufacturing. Other prominent industries in the region include accommodation and food services, public administration, transportation and warehousing, and educational services.

The region is home to several well-known historical and cultural sites. Some of the most noteworthy include: The Flight 93 National Memorial, the Johnstown Flood Museum, the Allegheny Portage Railroad National Historic Site, the Horseshoe Curve, and the Altoona Railroaders Memorial Museum. The region also features dozens of trails, many state and national parks, and a minor league baseball franchise. The most popular trail assets include the September 11th National Memorial Trail, the Great Allegheny Passage, the Lower Trail, the Huntingdon & Broad Top Trail, and the Standing Stone Trail.

The cities of Altoona (Blair County) and Johnstown (Cambria County) are known for offering comprehensive health care services through UPMC Altoona, the Tyrone Regional Health Network (TRHN) and Conemaugh (Duke LifePoint) Health Systems. Prominent industries in Bedford, Fulton, Huntingdon, and Somerset Counties include manufacturing, health care, retail trade, and recreation industries. Furthermore, Cambria County has developed a small alternative energy cluster through wind farm construction and wind turbine component manufacturing. Due to the limited shale drilling activity that has occurred within the region, most shale-related economic impact(s) has stemmed from support activities by existing companies, or the establishment of shale-related businesses within the region due to the proximity to areas with heavy drilling activity.

The region has experienced a slow population decline over the past decade. From 2000 to 2020, the region's population declined from 471,596 to 436,648 (-7.41%). Cambria County has experienced the greatest population loss within the region with a -12.53% change since 2000, or a decrease of 19,126 residents. Since 2000, Fulton County has been the only county within the region to experience a population increase; however, over the last 10 years the county has seen a 1.95% decrease in population. According to the American Community Survey 5-Year Estimates, the median age for the region is 44.9 (compared to 40.7 for Pennsylvania). Persons over 55 years of age represent 36.9% of the residents in the region (compared to 31.4% for Pennsylvania). The region has experienced a significant net loss among its residents between 5 to 54 years of age. Between 2000 and 2021, there

was a change of -9.09% in residents between the ages of 5 to 54, with the highest decrease in the 35 to 44 age group (-4.2%). On the other hand, the region experienced growth among its senior population aged 55 and over. Between 2000 and 2021, there was a change of +9.9% in residents aged 55 and over, with the highest increase in the 55 to 64 age group (+4.89%).

The region is well positioned in terms of higher education, with institutions present within the six counties. Educational attainment is a key indicator for a region's workforce talent and educational assets that can lead to technological innovation. As technology and knowledge-based industries become more central to the national and global economies, the high skill level of the regional labor force is one of the key drivers of job growth. At the individual level, one's educational levels are closely linked to higher wages and employment rates; however, despite the presence of the region's colleges and universities, college enrollment for the region's 18- to 24-year-olds still lags the state as a whole. Slightly less than half of the region's residents over 25 years of age hold high school diplomas as their highest level of education, compared to 33.8% for Pennsylvania.

One clear hurdle for stimulating local economic activity is below-average wages. Below-average household wages significantly limits the disposable income and overall spending power of a household. According to the Bureau of Economic Analysis, the average Per Capita Income for the Region in 2021 was \$49,709, compared to \$64,279 for the state of Pennsylvania. Overall, the lower average income in the region is due to both the structure of employment, with the region having fewer high salary professional and managerial jobs and the fact that comparable positions pay lower wages in the region than in the more urban areas of the state. Variations in the cost of living (especially housing costs) partially offset the wage differential.

According to a recent housing strategy completed for the Southern Alleghenies Region, titled "Alleghenies Ahead on Housing", a couple of influential, long-range trends were identified: 1.) Number of households has been stagnant or declining in most of the region since 2000; 2.) Vacancies – especially chronic vacancies – have surged and 3.) Home values and rents have kept pace with inflation but remain relatively low. Households, which include families as well as individuals who live alone, are the basic units of consumption in a housing market and are a more meaningful number to track than total population. Since 2000, the region has lost nearly 5,000 households while adding over 6,500 housing units. Generally stagnant, or declining numbers of households, combined with a rising number of housing units, has meant a growing number of vacant housing units since 2000. In addition, home values and rents trailed national rates of growth in most cases between 2000 and 2020. For a region where every county started the century with lower median values and rents than the U.S., this meant that most counties fell further behind – especially Cambria and Somerset Counties, where home values were under 50 percent of the national median by 2020.

Over half of all jobs in the region are concentrated in five sectors: health care and social assistance (17.9%), retail trade (10.97%), manufacturing (9.7%), accommodation and food services (7.0%), and transportation and warehousing (5.2%). These five industries make up 96,044 of the jobs in the region or 50.8%. Additionally, the region is home to over 6,640 farms occupying 860,000 acres of farmland. The current state of the economy, combined with the workforce and population demographics of the Southern Alleghenies region, continues to produce challenging circumstances

for local businesses, particularly those within the prominent manufacturing industry. The region has seen a slow population decline over the past decade, which can be attributed to the lack of higher-paying employment opportunities.

Distressed Designation and County Economic Status

The Appalachian Regional Commission (ARC) uses an index-based county economic classification system to identify and monitor the economic status of Appalachian counties. The system involves the creation of a national index of county economic status through a comparison of each county's averages for three economic indicators—three-year average unemployment rate, per capita market income, and poverty rate—with national averages. The resulting values are summed and averaged to create a composite index value for each county. Each county in the nation is then ranked, based on its composite index value, with higher values indicating higher levels of distress.

Distressed and At-Risk Counties

Distressed counties are the most economically depressed counties. They rank in the lowest 10% of the nation's counties.

As of the date of this plan, Pennsylvania has one distressed county as defined by ARC, Forest County. According to the U.S. Census from 2022, Forest County has 6,626 residents. Pennsylvania does have a significant number of citizens living in distress. According to recent ARC data, Pennsylvania has the third highest number of citizens living in economic distress (approx. 569,000) when compared to the 13 Appalachian states.

Pennsylvania has two counties designated as At-Risk in FY 2024 – Cameron and Fayette. The population of Cameron County is less than 5,000 and is Pennsylvania's least populous county. Fayette County was formerly a distressed ARC county and has a population of approximately 129,000.

Attainment County Designation

Attainment counties are the economically strongest counties according to ARC. Counties ranking in the top 10% of the nation's counties are classified Attainment. Pennsylvania has no counties classified as Attainment as of the date of this plan.

Competitive and Transitional County Designations

Transitional counties are those transitioning between strong and weak economies. They make up the largest economic status designation. Transitional counties rank between the worst 25% and the best 25% of the nation's counties.

As of the date of this plan, the majority of Pennsylvania's ARC counties (47) are designated as

transitional counties: Allegheny, Armstrong, Beaver, Bedford, Blair, Bradford, Cambria, , Carbon, Centre, Clarion, Clearfield, Clinton, Columbia, Crawford, Elk, Erie, Fulton, Greene, Huntingdon, Indiana, Jefferson, Juniata, Lackawanna, Lawrence, Luzerne, Lycoming, McKean, Mercer, Mifflin, Monroe, Northumberland, Perry, Pike, Potter, Schuylkill, Snyder, Somerset, Sullivan, Susquehanna, Tioga, Union, Venango, Warren, Washington, Wayne, Westmoreland, and Wyoming.

Competitive counties are those that are able to compete in the national economy but are not in the highest 10% of the nation's counties. Counties ranking between the best 10% and 25% of the nation's counties are classified competitive. Butler and Montour are Pennsylvania's competitive counties.

Pennsylvania's Appalachian Development Highway System (ADHS)

The purpose of the ADHS is to provide a highway system which, in conjunction with the Interstate System and other Federal-aid highways in the Appalachian region, will open up an area or areas with developmental potential where commerce and communication have been inhibited by lack of adequate access. In Pennsylvania, the 551.5-mile Appalachia Development Highway System consists of as the following corridors: M (US 22), N (US 219), O (US 220/I-99), O-1 (US 322), P (US 220/I-180), P-1 (Central Susquehanna Valley Thruway), T (I-86), U and U-1 (US 15).

All Appalachian corridor project needs in Pennsylvania are developed in the identical manner as other federal highway and bridge projects through an integrated and consensus reaching programming process involving input from metropolitan planning organizations, rural planning organizations, the State Transportation Commission, elected officials, the Governor's Office, and the public. Project need is based largely on levels of traffic, safety concerns, economic development initiatives, and funding availability. Once consensus is reached within Pennsylvania on the need for a project, available ADHS funds are programmed based on project readiness, schedule, and financial constraints.

If project needs require an alignment change to the ADHS, approval must come from the Appalachian Regional Commission. After receiving proposed alignment changes, the Commission will review and approve proposed changes to the ADHS that improve access points to an area or areas for economic opportunity while maintaining connectivity to the Interstate System and/or other ADHS designated corridors. Alignment changes must be made within the ADHS mileage constraints set by Congress.

Every Appalachian Development Highway System project must be detailed in the ADHS Completion Plan and approved by ARC and FHWA. The ADHS Completion Plan is required by ARC and the Federal Highway Administration every four years. The most recent estimate was completed in 2021.

Stage Construction is on-going on Corridor P-1. Significant portions of Corridor M, Corridor O, and Corridor U have been constructed. Furthermore, two entire corridors of the ADHS System in the

commonwealth are complete: Corridor T and Corridor U1 in Erie County and Tioga County respectively.

The Commonwealth's portion of the Appalachian Development Highway System is estimated to cost more than \$2.9 billion to complete, based on the 2021 ADHS Completion Plan. Federal authorizing legislation, the Infrastructure Investment and Jobs Act, also known as the Bipartisan Infrastructure Law (IIJA-BIL), dedicates \$17.8 million annually to the ADHS System in Pennsylvania. As such, Pennsylvania will utilize available ADHS funds to meet the challenge of completing the ADHS System which coincides with the state's efforts to ensure economic stability in the Appalachian region of Pennsylvania.

The inter-relationship between the ADHS and economic development in Pennsylvania cannot be understated. The movement of goods is vital to successfully meeting the domestic and demands of customers – both domestically and internationally. Accessibility is especially important in more remote areas that typically do not have high-traffic volumes or congestion, but where improvements in accessibility to other transportation facilities or destinations can create a more competitive business environment. Pennsylvania will also continue to utilize the ARC Local Access Road program for critical investments in new and existing local roads that spur economic development.

The ease of moving people – both workers and tourists – is also critical to the economic health of rural communities. As an example, the growing Pennsylvania Wilds depends on the ability to allow visitors from inside and outside of the state to safely and efficiently travel to our most remote areas to enjoy the natural assets of the region.

IV. Pennsylvania's Opportunities

Pennsylvania is taking a data-based approach to economic development and has identified five key industry sectors where we should target resources and maximize opportunities for growth. These sectors include Agriculture, Energy, Life Sciences, Manufacturing, Robotics & Technology. Focusing on these sectors will enable us to build out industry clusters in high-growth, high-value industry segments, and to double down in industries of historic and economic significance to Appalachia Pennsylvania.

Armed with its first roadmap for economic success in nearly two decades, Pennsylvania will align our economic development efforts to achieve sustainable, inclusive, and equitable growth throughout the Commonwealth. By implementing this generational plan for success, we will position ourselves to win as a premier state to live, work, play, and innovate.

To foster these opportunities, the Shapiro Administration and the Pennsylvania Department of Community and Economic Development will focus on these themes as part of our priorities.

- Invest in Our Economic Growth to Compete
 - Boost state investment in site development, preparedness, and marketing.
 - Expand support for small businesses with a focus on historically disadvantaged businesses and workers.
 - Streamline programs and increase funding for Pennsylvania's economic development toolkit.
 - Invest in tourism and recreational asset development to drive economic growth.
- Make Government Work at the Speed of Business
 - Cut through red tape and foster collaboration across state agencies.
 - Reform state permitting processes with a focus on customer experience.
 - Reinvent and invest in the PA Department of Community and Economic Development.
- Open Doors of Opportunities for All Pennsylvanians
 - Keep Pennsylvanians in Pennsylvania through internships, apprenticeships, and experiential learning opportunities.
 - Double down on workforce training and pre-apprenticeship and registered apprenticeship programs.
 - Realign Pennsylvania's higher education system to meet our workforce needs.
 - Provide second chances and grow our workforce.
- Innovate to Win
 - Accelerate investments in priority industry sectors & entrepreneurial ecosystems through a newly established Pennsylvania Innovation Fund.

- Launch Pennsylvania Problem Solvers startup competitions to find entrepreneurial solutions to our pressing challenges.
- Establish industry & higher education innovation councils to provide government with real world counsel from business and thought leaders.
- Start Buy Pennsylvania Initiative to align supply chain network and boost in-state collaboration.
- Build Vibrant and Resilient Regions
 - Launch the Pennsylvania Regional Challenge to incentivize regional growth.
 - Support communities by investing in downtowns and main streets.
 - Compete for federal funding to improve infrastructure and support businesses and workers.
 - Expand availability of housing.

V. Goals, Objectives and Strategies

The following ARC goals, plus Pennsylvania’s state objectives and strategies reflect the partnerships and initiatives that will continue to advance Pennsylvania’s Appalachian region.

ARC Goal 1 – Building Appalachian Businesses

Strengthen and diversify the Region’s economy through inclusive economic development strategies and investments in entrepreneurship and business development.

State Objective 1.1: **Pennsylvania will be a place where we prioritize economic development investments, and where those investments result in real opportunities for our businesses, communities, and residents.**

PA Strategy (1.1.1) Target increased technical and financial assistance to Pennsylvania’s manufacturing, agriculture, energy, life sciences, robotics/technology, and related business sectors by providing technology and innovation assistance.

PA Strategy (1.1.2) Reignite Pennsylvania’s economy by investing the resources needed to attract and retain businesses, support expansion efforts, and position the Commonwealth as a national leader in economic development.

PA Strategy (1.1.3) Support the transfer of new processes and product technologies that increase productivity and create new entrepreneurial opportunities.

- PA Strategy (1.1.4) Support strategic alliances with institutions of higher education, local economic development organizations, and private sector representatives to encourage joint entrepreneurship and business development activities.
- PA Strategy (1.1.5) Grow venture capital investments to support early stage and emerging technology firms.
- PA Strategy (1.1.6) Provide targeted incentives, technical assistance, and other risk-reduction activities designed to encourage business formation, development and job growth.
- PA Strategy (1.1.7) Accelerate technology transfer to commercialize new products and services.

State Objective 1.2:

Businesses in Appalachia Pennsylvania will have access to a broad range of regionally based and need-driven economic development assistance for the purpose of market expansion and diversification resulting in increased sales and job growth.

- PA Strategy (1.2.1) Promote one-on-one consulting in fields such as international business development, government marketing, business financing, and other activities offered in conjunction with PA's Partnerships for Regional Economic Performance (PREP). This may include efforts to strengthen the coordination of PA's economic development delivery system in a cohesive and cost-efficient manner.
- PA Strategy (1.2.2) Utilize internet-based technologies to deliver training and instruction for business creation and expansion.
- PA Strategy (1.2.3) Pennsylvania's economic development strategy includes regional initiatives developed through the strategic planning process of Local Development Districts and similar partners. Recognizing that individual regions may have priority industries and needs that differ, Pennsylvania will invest in partners to promote regional strategies tailored to the needs of our diverse communities.
- PA Strategy (1.2.4) Pennsylvania will expand its commercial presence worldwide, develop strategic international alliances and attract international companies. This includes opportunities for international investment and expansion within the commonwealth.

- PA Strategy (1.2.5) Support efforts to facilitate increased Foreign Direct Capital Investments to the commonwealth.
- PA Strategy (1.2.6) Provide technical, financial, and infrastructure assistance to those communities facing the loss, or employment downturn, of a region's major employer.
- PA Strategy (1.2.7) Support initiatives to promote business development in the agriculture, energy, life sciences, manufacturing, and robotics/technology sectors.
- PA Strategy (1.2.8) Support business development activities that promote the expansion of supply chain activities among businesses capable of serving a variety of sectors.
- PA Strategy (1.2.9) Pennsylvania will support activities designed to grow our ports and intermodal assets.
- PA Strategy (1.2.10) Promote regional partnerships and joint activities among government, business, and nonprofit organizations to reach common goals.
- PA Strategy (1.2.11) Pennsylvania will promote market diversification efforts for coal-impacted industries, communities and individuals affected by market changes.

State Objective 1.3:

Appalachian residents will have access to enhanced entrepreneurial opportunities.

- PA Strategy (1.3.1) Support regional entrepreneurial ecosystems designed to promote collaboration among public/private service providers.
- PA Strategy (1.3.2) Support web-based initiatives designed to provide prompt and practical entrepreneurial information to citizens, students, and business owners.
- PA Strategy (1.3.3) Encourage business ownership as a career vocation to students by supporting youth entrepreneurship activities.
- PA Strategy (1.3.4) Support activities such as business plan competitions, business accelerators and incubation programs to fuel the expansion and growth of entrepreneurial activity.

State Objective 1.4

Pennsylvania will expand the market for clean, indigenous energy resources, and enhance energy diversity and energy security, while stimulating economic development and job creation in an environmentally responsible manner. PA will lean heavily into innovative new technologies to ensure that the state's energy industry continues leading the nation for decades to come.

- PA Strategy (1.4.1) Promote energy security and job creation through the support of advanced energy technologies.
- PA Strategy (1.4.2) Foster economic development by encouraging the transfer and commercialization of innovative energy technologies and resources.
- PA Strategy (1.4.3) Support energy independence and economic development through a variety of means across Appalachia PA and partnering states.
- PA Strategy (1.4.4) PA will invest in energy resources to innovate across the energy space and leverage our formidable electric grid to deploy next generation power technologies and deliver businesses the energy needed to manufacture the products that will help the world decarbonize.

ARC Goal 2 – Building Appalachia's Workforce Ecosystem

Expand and strengthen community systems (education, healthcare, housing, childcare, and others) that help Appalachians obtain a job, stay on the job, and advance along a financially sustaining career pathway.

State Objective 2.1:

Pennsylvania will be a place where every Pennsylvanian can secure a family-sustaining job and a meaningful career.

- PA Strategy (2.1.1) Keep Pennsylvanians in Pennsylvania through internships, apprenticeships, and experiential learning opportunities.
- PA Strategy (2.1.2) Pennsylvania will double down on workforce training including pre-apprenticeship and registered apprenticeship programs
- PA Strategy (2.1.3) Promote workforce development in a manner that is coordinated with high schools, community colleges, apprenticeships, post-secondary institutions, and Workforce Development Boards.
- PA Strategy (2.1.4) Support the work of Career Technology Centers as an important option for training citizens for real world placements.

- PA Strategy (2.1.5) Support efforts to recruit college graduates back to Pennsylvania to help grow our workforce, especially in the high-tech sectors.
- PA Strategy (2.1.6) Support initiatives to ensure that our educational institutions have access to the latest and most advanced equipment, curriculum, and training aids.
- PA Strategy (2.1.7) Support educational activities that provide students and workers with necessary basic and professional skills needed to meet the requirements of employers in all sectors.
- PA Strategy (2.1.8) Promote educational and workforce initiatives that help Appalachian citizens acquire a strong foundation of science, technology, engineering, arts and math (STEAM) skills.

State Objective 2.2: Appalachian residents will receive advanced skills training to acquire and maintain family-sustaining jobs.

- PA Strategy (2.2.1) Utilize Pennsylvania’s community college system and other educational institutions to improve the workforce training delivery network along with other public/private providers.
- PA Strategy (2.2.2) Promote employer-led consortia and industry partnerships to identify critical job vacancies and needed skills.
- PA Strategy (2.2.3) Promote the use of high-technology tools and resources for the education of students to deliver workforce training.
- PA Strategy (2.2.4) Train Appalachian residents in the methods needed to develop and expand our natural, cultural, historical, agricultural, and energy-related resources.

State Objective 2.3: Appalachian residents and business owners will have access to institutions of higher learning as well as alternative educational institutions that promote entrepreneurship and innovation as well as continuing education.

- PA Strategy (2.3.1) Promote the development of critical job skill training programs to address workforce shortage issues.

PA Strategy (2.3.2) Expand or establish technical training centers designed to improve workforce skills in rural Appalachia.

PA Strategy (2.3.3) Support initiatives that adequately prepare students to successfully perform in postsecondary education environments.

State Objective 2.4:

Pennsylvania will foster a health-care system designed to provide Appalachian children, adults, and elderly citizens with access to quality care at a reasonable cost.

PA Strategy (2.4.1) Continue to support the J-1 Visa program as a tool to recruit physicians to our neediest areas.

PA Strategy (2.4.2) Employ the use of the latest technological resources such as remote monitoring devices to lower health care costs while maintaining a high degree of quality care.

PA Strategy (2.4.3) Analyze specific health care needs of Appalachian residents for the purpose of directing resources to combat illness, disease, and rising costs.

PA Strategy (2.4.4) Support organizations specializing in addressing the health care needs of rural areas to identify and develop wellness programs and other activities to combat areas of health-distress.

PA Strategy (2.4.5) Identify chronic illnesses and conditions affecting a growing segment of Appalachian residents and target resources to address these needs.

State Objective 2.5:

Pennsylvania will reduce and/or eliminate barriers that hinder successful participation in the workforce by willing individuals seeking employment opportunities throughout Appalachia,

PA Strategy (2.5.1) Support community initiatives that provide transportation, child and adult daycare, disability assistance, health and wellness efforts, and related services that help more individuals succeed in the workplace.

PA Strategy (2.5.2) PA will provide second chances and grow our workforce. In Pennsylvania, we believe in second chances and those second chances should represent a real opportunity to start over and succeed.

ARC Goal 3 – Building Appalachia’s Infrastructure

Ensure that the residents and businesses of Appalachia have access to reliable, affordable, resilient, and energy efficient utilities and infrastructure in order to successfully live and work in the Region.

State Objective 3.1:

All Appalachian communities will be a place where every community flourishes and provides for the needs of all their residents and businesses including access to safe drinking water; sanitary sewer and waste disposal systems; housing; diversified energy and other basic infrastructure.

PA Strategy (3.1.1) Support efforts to provide a safe and secure water/sewer system for residents of Appalachia through collaborative projects with state and federal agencies such as EDA, USDA, PennVest, etc.

PA Strategy (3.1.2) Promote multi-county approaches and partnerships with public and private sector entities to manage solid waste disposal, water and wastewater treatment. Support waste recycling and new disposal technologies.

PA Strategy (3.1.3) Provide housing and redevelopment assistance to ensure a basic standard of living and improved economic potential for our communities.

PA Strategy (3.1.4) Encourage investment and innovation in low-carbon infrastructure, such as smart grid, natural gas, renewables, and biomass to allow new and existing business to operate with a lower carbon footprint and make them more competitive in the global economy.

PA Strategy (3.1.5) Promote investments in pipelines, power grids, fiber optics, cellular phone service and other ancillary infrastructure.

State Objective 3.2:

There will be a new or renewed active industrial site, business park or business incubator within a reasonable commute of Appalachian Pennsylvanians for enhanced job creation and business development opportunities. This includes developing sites that are attractive to priority industries.

PA Strategy (3.2.1) Support programs which create site-ready properties focused on generating economic growth in needy areas and tailored to local and regional current and emerging opportunities.

- PA Strategy (3.2.2) Stimulate business infrastructure development along Pennsylvania’s Appalachian Development Highway System (ADHS) corridors.
- PA Strategy (3.2.3) Coordinate regional planning efforts to serve commercial and industrial purposes.
- PA Strategy (3.2.4) Engage in infrastructure and construction activities that will generate value-added job creation and business expansion. This may include but is not limited to business incubators, multi-tenant facilities, industrial parks and ancillary infrastructure needs such as parking and access roads.

State Objective 3.3: Pennsylvania will rebuild our communities by focusing on housing, site acquisition/preparation, and redevelopment.

- PA Strategy (3.3.1) Support downtowns and Main Street projects that will lead to physical improvements in downtown business districts.
- PA Strategy (3.3.2) Invest in public spaces that bring community hubs to life.
- PA Strategy (3.3.3) Provide resources to encourage improvements in Appalachian residential communities including the organizations that do the everyday work of downtown development.
- PA Strategy (3.3.4) Support activities that promote the availability of affordable housing.
- PA Strategy (3.3.5) Support zoning and land use development best practices including investments in mixed use development.

State Objective 3.4: Pennsylvania will bridge the digital divide in the Appalachian region by delivering broadband and other telecommunications resources to residents and businesses.

- PA Strategy (3.4.1) Support efforts of the Pennsylvania Broadband Authority to ensure affordable internet is available for every resident and business across the Commonwealth
- PA Strategy (3.4.2) Support the deployment of affordable access to advanced communications using multiple technologies.
- PA Strategy (3.4.3) Develop initiatives such as training programs, consulting, and demonstration projects to increase the readiness of industry groups and businesses to engage in e-commerce.

PA Strategy (3.4.4) Implement equitable access to high-speed internet across Appalachia Pennsylvania.

State Objective 3.5:

Pennsylvania will provide communities with the resources needed to spur locally driven community and economic development.

PA Strategy (3.5.1) Support revitalization efforts that re-use brownfields and existing infrastructure to create new businesses, homes, and community resources.

PA Strategy (3.5.2) Promote infrastructure investment that compliments and utilizes the region's natural beauty, landscape, and historical/cultural heritage.

PA Strategy (3.5.3) Improve and expand our intermodal methods of transportation via planning and infrastructure to move people and goods more effectively and maximize the region's access to domestic and international markets.

PA Strategy (3.5.4) Support community infrastructure improvements designed to attract/retain employers or newly formed companies.

State Objective 3.6:

Pennsylvania will invest in the future by turning existing infrastructure into vibrant new business, protecting the environment, and creating lively downtowns and neighborhoods.

PA Strategy (3.6.1) Clean up Pennsylvania's streams and improve the health of our rivers and streams affected by runoff from mines and other pollution, restoring these waters to full use for our communities and outdoor enthusiasts.

PA Strategy (3.6.2) Reclaim abandoned mines and toxic waste sites for productive uses.

PA Strategy (3.6.3) Invest in alternative energy production including wind farms, solar cells, and alternative fuels.

PA Strategy (3.6.4) Pennsylvania will support programs that preserve working farms, open space and natural areas, and improve parks and infrastructure that support fish and wildlife habitat so tourists and Pennsylvanians can fully enjoy these treasures.

PA Strategy (3.6.5) Restore communities and expand affordable housing by improving community parks and investing in housing and community redevelopment.

State Objective 3.7: **Pennsylvania’s businesses, citizens, and visitors will have a safe and efficient highway system to promote global commerce and provide safe travel throughout the region.**

PA Strategy (3.7.1) Identify for completion, critical Appalachian Development Highway System (ADHS) interchanges and priority miles.

PA Strategy (3.7.2) Effectively and efficiently continue to develop the ADHS by soliciting input from local private and public officials.

PA Strategy (3.7.3) Pennsylvania’s Department of Transportation will adhere to all federal statutes to ensure accountability of funds and cooperate with contiguous member states.

PA Strategy (3.7.4) Continue to allocate resources for development and improvement of local access roads for economic and community activities.

ARC Goal 4 – Building Regional Culture and Tourism

Strengthen Appalachia’s community and economic development potential by preserving and investing in the Region’s local, cultural heritage, and natural assets.

State Objective 4.1: **Pennsylvania will invest in tourism and outdoor recreational asset development to drive economic growth.**

PA Strategy (4.1.1) Develop initiatives to support tourism expansion, including heritage and eco-tourism development, through assessments, technical assistance, and marketing campaigns.

PA Strategy (4.1.2) Promote asset-based development opportunities by encouraging economic and community development organizations to utilize their historical, environmental, and cultural resources.

PA Strategy (4.1.3) Promote regional development, preservation and entrepreneurship along PA’s vast river network, greenways, forests, trails, and other natural assets.

- PA Strategy (4.1.4) Promote asset-based entrepreneurial development based upon historical, cultural, structural, and geographic resources.
- PA Strategy (4.1.5) Increase domestic and international leisure travel to the Commonwealth to grow the tourism industry's economic impact.
- PA Strategy (4.1.6) Collaborate with industry stakeholders and partners to develop and implement cooperative marketing initiatives.
- PA Strategy (4.1.7) Preserve the natural, cultural, and heritage assets that abound throughout Pennsylvania and educate citizens on the value of our Appalachian region.

State Objective 4.2: Pennsylvania will build capacity within the outdoor industry.

- PA Strategy (4.2.1) Support outdoor business alliances to build capacity and organize the industry.
- PA Strategy (4.2.2) Develop outdoor innovation hubs or clusters to achieve critical mass and synergy across production and value chains.
- PA Strategy (4.2.3) Expand access to capital and technical supports for outdoor businesses.

State Objective 4.3: Develop the outdoor workforce.

- PA Strategy (4.3.1) Support outdoor industry apprenticeship and mentorship programs.
- PA Strategy (4.3.2) Foster connections between outdoor employers and educational institutions to enhance both professionalization and equitable inclusion in the outdoor workforce.
- PA Strategy (4.3.3) Expand outdoor recreation knowledge within related professions (e.g., economic development, planning and engineering, conservation, health care) through professional development, continuing education, and bootcamp modules.

State Objective 4.4: Prepare the outdoors for Pennsylvania's future.

- PA Strategy (4.4.1) Develop 'on-ramps' for individuals, including students, and organizations to develop toward leadership roles in Pennsylvania's future outdoor economy and recreation system.

PA Strategy (4.4.2) Advance a long-term understanding of PA’s outdoor needs and incorporate it into planning and development efforts.

ARC Goal 5 – Building Community Leaders and Capacity

Invest in the capacity of local leaders, organizations, and communities to address local challenges by providing technical assistance and support to access resources, engage partners, identify strategies and tactics, and conduct effective planning and project execution.

State Objective 5.1: Pennsylvania will provide planning, technical assistance, management services and complimentary resources to local governments and community and economic development organizations to promote efficient and effective local leadership and improved civic capacity.

PA Strategy (5.1.1) Utilize the Governor’s Center for Local Government Services and other organizations to provide training and program coordination to local officials in areas such as administration, finance, management, land use planning, transportation, zoning, energy conservation, security, broadband, and community and economic development. This may also include activities that promote regional consolidation of services.

PA Strategy (5.1.2) Community and economic development service providers will be encouraged to provide staff with professional development training.

PA Strategy (5.1.3) Provide consolidated technical assistance to community and economic groups for the purpose of developing and administering projects in the region.

PA Strategy (5.1.4) Provide adequate resources, tools and equipment for local governments, nonprofit organizations, and other eligible entities to effectively serve the citizens of Appalachia.

State Objective 5.2: Pennsylvania will empower community leaders throughout the region to serve as sparkplugs and forward thinkers to mobilize their communities and champion constructive community and economic development projects and activities.

PA Strategy (5.2.1) Support local and regionally based leadership development programs to encourage cooperation and collaboration as well as strategic planning and information sharing.

- PA Strategy (5.2.2) Promote the principles of asset-based development to encourage local leaders to integrate the natural, cultural, historical and energy resources in community and economic development activities/projects.
- PA Strategy (5.2.3) Support initiatives designed to educate Appalachian residents on the benefits and methods of effective energy conservation.
- PA Strategy (5.2.4) Promote the creation and growth of community foundations and seek partnerships to direct resources to our neediest projects and areas.
- PA Strategy (5.2.5) Assist in the improvement of the physical and economic assets of communities through leadership and capacity initiatives that support housing and residential development, downtown improvement, business development and community facilities.
- PA Strategy (5.2.6) Assist community leaders and officials in eliminating barriers to local governance and growth and provide resources and technical assistance that enhance the performance and capacity of local governments.
- PA Strategy (5.2.7) Support targeted and specific strategies in coordination with local governments, school districts, non-profits, land banks and development authorities to improve unoccupied, vacant buildings and open empty lots that constitute the growing problem of blight.

State Objective 5.3:

Pennsylvania will have citizens, local leaders, and community organizations capable of working with local, state, and federal resources to effect positive economic change and advance local, civic capacity.

- PA Strategy (5.3.1) Initiate training activities to increase the skills of individuals and organizations to effectively identify community needs and develop plans to improve economic viability.
- PA Strategy (5.3.2) Promote youth leadership activities to introduce our young people to the concepts associated with active community involvement.

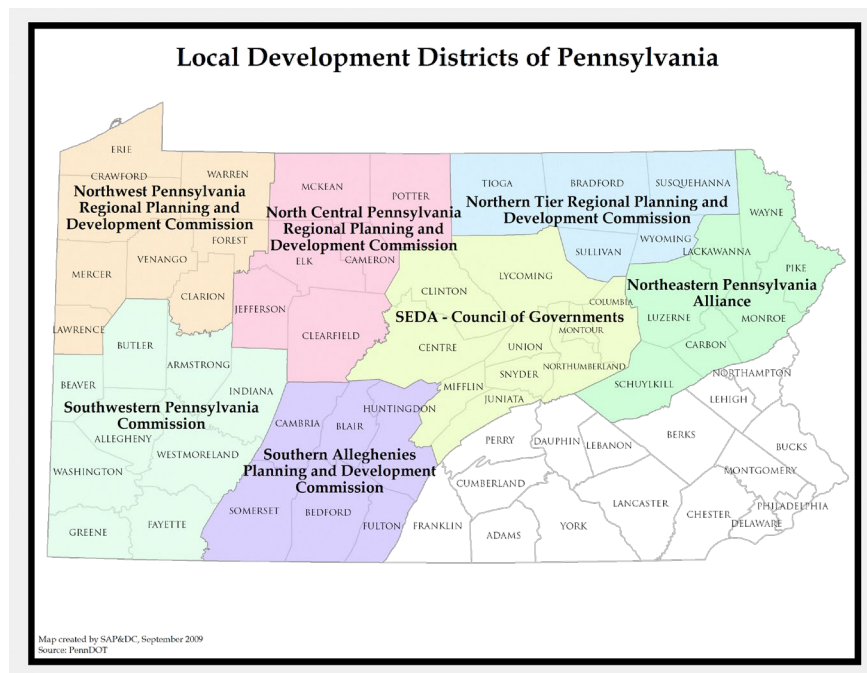
VI. Pennsylvania's Appalachian Organization

Governor Shapiro's efforts to Get it Done in PA includes effective partnership with federal agencies and organizations that help us improve the economic revitalization of our communities. Pennsylvania's Department of Community and Economic Development administers the ARC program and is the lead agency for economic growth and advancement. The Executive Director of the Center for Strategic Partnerships (CSP) serves as the Governor's Alternate to the ARC and oversees the operation of the ARC program. The CSP Deputy Director is PA's ARC Program Manager. The Center is also responsible for activities and services provided by Pennsylvania's seven Local Development Districts which were created by ARC

The CSP team is responsible for coordinating ARC-related projects with other state and federal offices such as the Pennsylvania Departments of Transportation, Environmental Protection, Labor and Industry, Conservation and Natural Resources, U.S. Department of Agriculture – Rural Development, Economic Development Administration, Small Business Administration, Department of Housing and Urban Development, and others.

Generally, ARC projects are identified and generated from Pennsylvania's LDDs. The districts provide a local means for eligible organizations to submit project summaries and applications for community and economic development investments. Full applications submitted to ARC for funding are ultimately approved/disapproved by the ARC Federal Co-chair who is appointed by the President and confirmed by the U.S Senate.

Pennsylvania's Local Development Districts:



Northwest Pennsylvania Regional Planning and Development Commission
Oil City, PA
Counties: Clarion, Crawford, Erie, Forest, Lawrence, Mercer, Venango, Warren

North Central Pennsylvania Regional Planning and Development Commission
Ridgway, PA
Counties: Cameron, Clearfield, Elk, Jefferson, McKean, Potter

Northern Tier Regional Planning and Development Commission
Towanda, PA
Counties: Bradford, Sullivan, Susquehanna, Tioga, Wyoming

Northeastern Pennsylvania Alliance
Pittston, PA
Counties: Carbon, Lackawanna, Luzerne, Monroe, Pike, Schuylkill, Wayne

Southwestern Pennsylvania Commission
Pittsburgh, PA
Counties: Allegheny, Armstrong, Beaver, Butler, Fayette, Greene, Indiana, Washington, Westmoreland

Southern Alleghenies Planning and Development Commission
Altoona, PA
Counties: Bedford, Blair, Cambria, Fulton, Huntingdon, Somerset

SEDA-COG
Lewisburg, PA
Counties: Centre, Clinton, Columbia, Juniata, Lycoming, Mifflin, Montour, Northumberland, Perry, Snyder, Union

When evaluating and selecting projects for ARC assistance, Pennsylvania seeks projects that:

- Enhance new business start-ups and job creation;
- Improve the entrepreneurial vitality of the state;
- Support targeted community investment,
- Demonstrate readiness to proceed;
- Articulate significant financial need, and
- Reflect a geographical distribution of ARC funds.

In addition, the CSP staff analyzes the relative need of each project applicant to determine the available financial resources. This is accomplished via site visits and interviews with appropriate members of the project team. The CSP also seeks input from central and regional Commonwealth staff, along with other public and private funding partners before making final recommendations.

Pennsylvania believes that a successful ARC project demonstrates partnerships with other public and private investors and can show a strong case for ongoing sustainability.

Conclusion

Governor Shapiro remains committed to providing Appalachian citizens and communities with the resources needed to promote self-sustaining economic development. As a partner with the ARC, the Commonwealth will invest its own staff time, energy, and dollars to leverage the federal resources of the Commission. Together, Pennsylvania and ARC can make a difference in the quality of life of our neediest citizens and the communities in which they live, work, and play.