



## APPALACHIAN REGIONAL COMMISSION MAINTAIN FUNDING IN THE FY2013 APPROPRIATIONS PROCESS

**ACTION NEEDED:** Urge your Senators and Representatives to actively support funding the Appalachian Regional Commission's (ARC) community and economic development programs at the FY2010 enacted level of \$76 million as part of a final FY2013 appropriations measure, which contains ARC's non-highway program funding. ARC resources are used for basic infrastructure improvements, job creation initiatives, leadership development, and other essential community and economic development investments in one of the most distressed regions of the nation.

**BACKGROUND:** The Appalachian Regional Commission (ARC) is a regional economic development agency that represents a partnership of federal, state, and local government officials. ARC is governed by the Governors of the 13 Appalachian states (Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia) and a Federal Co-chair, who is appointed by the President and confirmed by the U.S. Senate. Local participation is provided through multi-county local development districts.

This year, the Administration's FY2013 budget request included \$64.85 million for the Appalachian Regional Commission (ARC), \$3.4 million below the FY2012 enacted level. ARC was funded at \$68.26 million in FY2011 and \$76 million in FY2010. On April 26, the Senate Appropriations Committee approved a FY2013 Energy and Water Appropriations bill (S. 2465) which provided \$64.85 million for ARC. The Senate has not moved the Energy and Water Appropriations bill to the floor for consideration. On June 6, the U.S. House of Representatives passed a FY2013 Energy and Water Appropriations bill (H.R. 5325) which provided \$75.31 million for ARC.

On September 21, Congress approved a six-month Continuing Resolution or "CR" (H. J. Res. 117) which will provide a .621 percent increase for ARC (above the current FY2012 level of \$68.25 million) until March 27, 2013. ARC is also subject to the automatic, across-the-board cuts (known as "sequestration") scheduled to occur on January 2, 2013, unless Congress passes legislation before that date to avert or postpone the cuts. The White House Office of Management and Budget has projected cuts of at least 8.2 percent to non-exempt domestic discretionary spending, which would include ARC programs.

### TALKING POINTS

1. **ARC complements the broad national activities of other federal agencies by improving federal coordination with state and local officials in the most challenging and distressed parts of Appalachia.** The Commission makes strategic place-based and regional investments that are used to attract and leverage private and non-profit investment to areas suffering from severe economic distress.
2. **ARC has played an instrumental role in reducing the number of economically distressed counties by nearly 60 percent during the past four decades.** However, far too many of the region's communities remain susceptible to shifts in global markets, advancements in technology, and changes in federal policies, especially major employment industries like manufacturing, mining, tobacco, and steel. During the 2002—2008 economic expansion, Appalachian employment grew more slowly than the nation, averaging 0.8 percent per year, compared to 1.2 percent per year for the nation. The region has been hit harder by the current economic recession and slow recovery.
3. **In FY2011, ARC invested roughly \$75 million in non-highway projects that leveraged over \$449 million in private investment, a ratio of 6:1.** These strategic investments created or retained more than 22,000 jobs, provided water and sewer to 20,986 households, and delivered training to more than 18,000 students/trainees with 55 percent of ARC funds directed to projects that benefit distressed counties and areas.

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