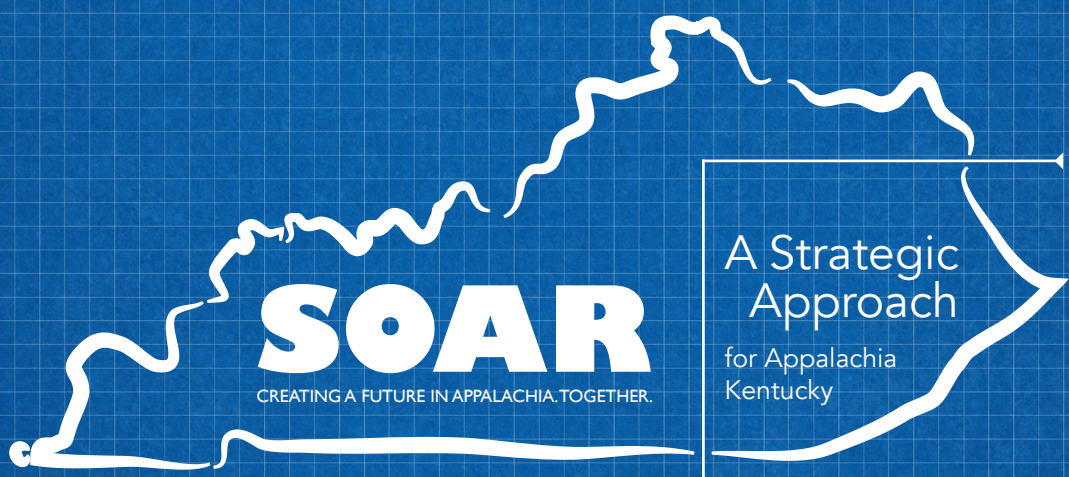


Blueprint.

A Plan for Our Future



Let's get to work.





Blueprint.

A Plan for Our Future

executive SUMMARY

This Blueprint is built off of content from the original 10 Shaping Our Appalachian Region (SOAR) working group reports that were developed in 2014. The reports were developed from community members' input during listening sessions held across 54 Appalachian counties in the Eastern Kentucky region as defined by the Appalachian Regional Commission (ARC).¹ This Blueprint is an effort to more strategically organize those 10 reports, each with a different focus area, into a cohesive document with strategic goals and objectives. It is based upon continued feedback from the region via round-table sessions, the SOAR Advisory Council, SOAR Executive Board Members, and analysis by SOAR staff. The end goal is that this Blueprint will be used to coordinate a well-organized, strategic, proactive, and systemic approach across federal, state, local, and non-profit agencies to accomplish the greatest economic turn-around in the history of the United States of America. To achieve this historic movement, SOAR has developed seven overarching goals to spur economic growth in Eastern Kentucky. These goals, along with the corresponding objectives, have been approved by the SOAR Executive Board.

¹ To read the working group reports please visit: <http://bit.ly/2e3yY9O>





SOAR's Blueprint for the Future of Appalachia is a plan that outlines seven goals that will drive the transformation of Appalachia Kentucky. The first goal is connectivity, and the other six goals are what we plan to do with it to transform the region. The Blueprint was created through the input of thousands of people across the region.

PAGE 12		BROADBAND CONNECTIVITY	Increase the availability of affordable high-speed broadband, through fiber, to businesses and residents; and increase adoption rates throughout the SOAR region
PAGE 13		21ST CENTURY WORKFORCE	Develop our regional workforce to be competitive in the digital economy and other emerging industries
PAGE 14		SMALL BUSINESS	To create more and expand existing small businesses within the region by taking full advantage of the digital economy
PAGE 15		HEALTHY COMMUNITIES	To reduce the physical and economic impact of obesity, diabetes, and substance use disorder
PAGE 16		INDUSTRIAL DEVELOPMENT	Increase the amount of industrial employment which includes manufacturing, natural resources, processing, and distribution by expanding existing companies and attracting new ones
PAGE 17		REGIONAL FOOD SYSTEMS	Create a local foods movement by connecting local producers to markets for their products both within and outside the region
PAGE 18		REGIONAL TOURISM DEVELOPMENT	Establish Kentucky's Appalachian region as a tourism destination

the task AT HAND

Employing 30,000+ People

In recent history, coal has been the lifeblood of Eastern Kentucky's economy, yet in 2009 that changed. From 2008 to the 3rd quarter of 2019, the region shed 11,787 coal mining jobs, a decrease of 79% during this period.² This seismic shift into Eastern Kentucky's economic foundation is what led to a bipartisan formation of SOAR in 2013. SOAR is focused on the realization that Eastern Kentucky must diversify its economy to prevent another regional economic crisis as a result of a single industry's downturn. Its main goal is to spur economic development to replace not only the jobs lost related to the coal industry, but embracing the digital economy to create opportunities across all employment sectors.

THE REALITY

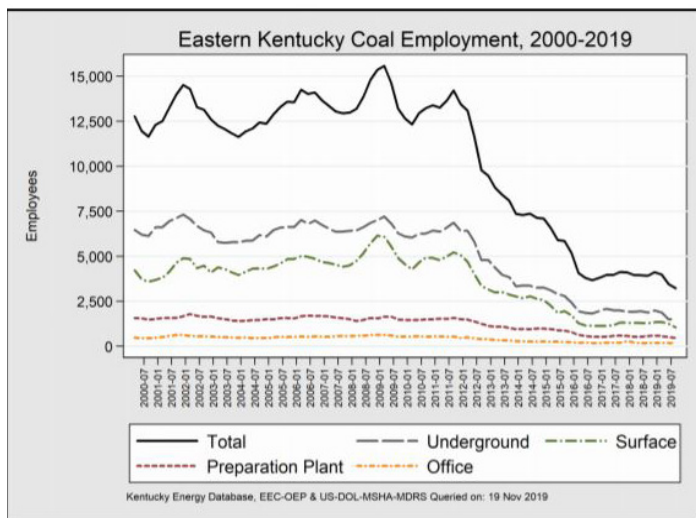


Figure 1: Illustrates the Eastern Kentucky Coal employment rates from 2000-2019.²

Figure 1 clearly illustrates the decrease in the coal industry employment rates from 2008 to 2016. This demonstrates the reason SOAR was formed, but it drastically understates the challenge at hand. Losing over two-thirds of the region's coal industry jobs does not adequately paint the picture of the state of the regional economy. The state of the regional economy is not clear, in large part, because prior to losing over 10,000 jobs, 38 of Kentucky's 54 Appalachian counties were already distressed. Creating 10,000 traded sector jobs would only return to Eastern Kentucky's economic standing in 2009. That means SOAR is not just working to replace 10,000 jobs but is seeking transformation that would address the deep-rooted economic challenges that have existed for decades in the region.

To put in this into perspective, the average workforce participation rate in Eastern Kentucky was 44.7%.³ If the labor force participation rate increased to 55% (the national average is 63%), the region would add 39,242 people to the workforce.

² Kentucky Quarterly Coal Report: April- June 2016. Rep. Kentucky Energy and Environment Cabinet, 30 July 2016. Web. <<http://bit.ly/2dMkyYG>>. ³ EKYWorks. Workforce Analysis. Boyette: strategic advisors. 2016. Pg. 29

According to the ARC's Index-based county economic classification system

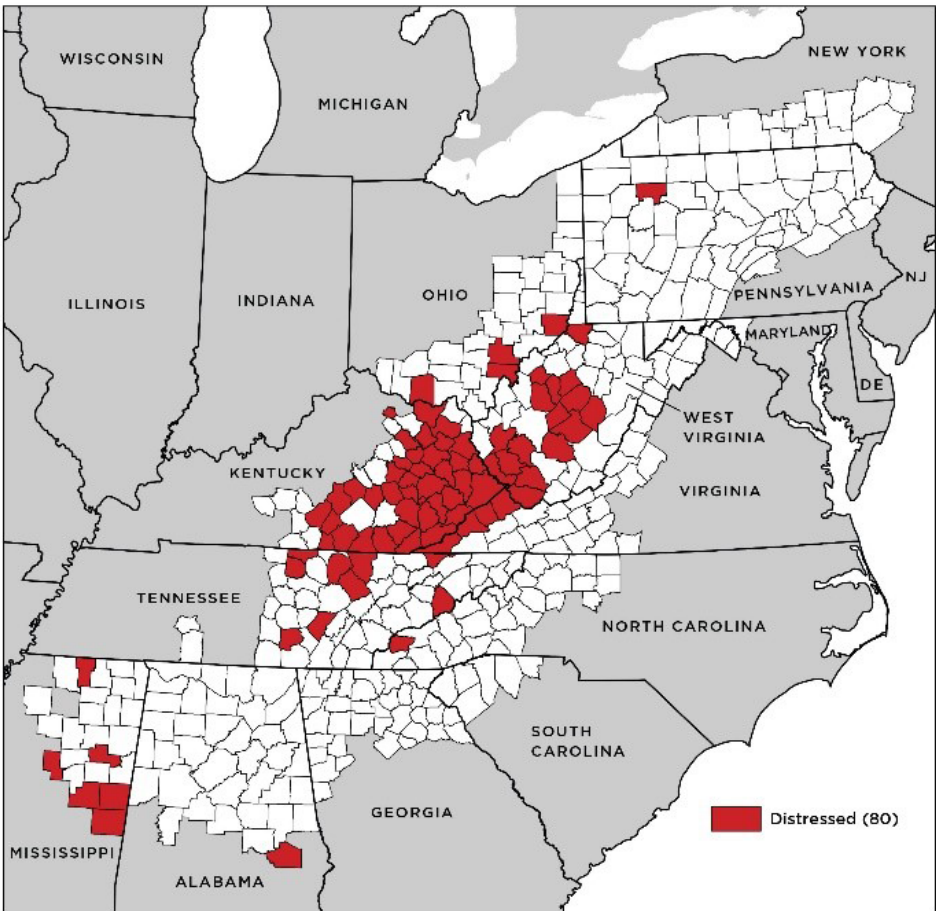
38 of 54

SOAR counties were distressed in 2019



ARC-DESIGNATED DISTRESSED COUNTIES

FISCAL YEAR 2020



Created by the Appalachian Regional Commission, June 2019
 Data Sources:
 Unemployment data: U.S. Bureau of Labor Statistics, LAUS, 2015-2017
 Income data: U.S. Bureau of Economic Analysis, REIS, 2017
 Poverty data: U.S. Census Bureau, American Community Survey, 2013-2017

Effective October 1, 2019 through September 30, 2020

Figure 2: ARC's index-based county economic classification system that highlights the county economic levels in Appalachia.⁴

The economic reality illustrated in Figure 2 means not only must 30,000 jobs be restored, but additional jobs must be added. This can be seen in a recent study completed by Boyette Strategic Advisors, which shows that in a 27-county portion of Eastern Kentucky, the total employment rate dropped 20% (45,548 jobs) between 2006 to 2016.⁵ These new jobs must drive real, meaningful, and economic growth in Eastern Kentucky.

How will SOAR solve such an overwhelming and seemingly impossible task? Thanks to working groups, listening sessions, and the input from thousands of people in the region, SOAR has solid information on what needs to be done to overcome the economic challenges. Many people are already working on these goals. The SOAR Blueprint is a plan built in the region, and an accumulation of ideas from Eastern Kentucky. It is taking everything Eastern Kentuckians know from living and breathing in Appalachia and combining it with local experts' analysis to determine a path forward.

⁴ Appalachian Regional Commission. County Economic Status in Appalachia, FY 2019. Map. Web. < <https://www.arc.gov/images/programs/distress/DistressedCountiesMapFiscalYear2019.pdf> > | ⁵ EKYWorks. Workforce Analysis. Boyette: strategic advisors. 2016. Pg. 29



INDUSTRIAL DEVELOPMENT

Increase the amount of industrial employment which includes manufacturing, natural resources, processing, and distribution by expanding existing companies and attracting new ones

GOAL #5

OBJECTIVES/MILESTONES

- 5.1 Develop strategies for targeted sectors, identified by a third-party professional, for recruitment, expansion, and workforce development
 - a. Examples of targeted sectors that have been identified in several communities include Healthcare, Auto Suppliers, Forestry, and Aerospace
- 5.2 Support the continued development of regional and/or public-private partnerships to drive industrial development in the region
- 5.3 Increase industrial demand of skilled trade workers (construction, electricians, HVAC, welding, plumbing) and the availability of fast-track certification programs for experienced workers
- 5.4 Improve the economic competitiveness of most viable (based upon objective third-party professional analyses) sites and buildings in Appalachia Kentucky
- 5.5 Provide resources to transition established businesses to value added chains and/or connect them with new markets both outside of their existing industry and in the global marketplace
- 5.6 Collect and positively communicate detailed data on the workforce in the region
- 5.7 Support value added opportunities for extractive industries including, but not limited to: coal, natural gas, oil, and forestry

STRATEGIC PARTNERS

These partners are part of the existing ecosystem that can support the realization of this goal:

- Ashland Alliance
- One East Kentucky
- Southeast Kentucky Economic Development Corporation (SKED)
- One Harlan County
- Southern Kentucky Chamber of Commerce
- Local Industrial Authorities
- Kentucky Association for Economic Development
- Kentucky Highlands Investment Corporation
- Area Development Districts
- AEP Kentucky Power
- East Kentucky Power Cooperative
- Columbia Gas
- KY Cabinet for Economic Development
- KY World Trade Center

EXAMPLES OF ALIGNED ACTIVITIES

- East Kentucky Works Workforce Study

- Supplier Education and Economic Development (SEED) Defense Contractor Symposium
- Build Ready Site Certifications
- Infrastructure Improvements at Regional Industrial Parks including Natural Gas, Electric, Rail, Water, Broadband, and Sewer
- ISO Certification Support
- KY Procurement Technical Assistance Center

INDUSTRIAL DEVELOPMENT

