



September 19, 2016

To: Federal Co-Chair
ARC Executive Director
ARC General Counsel
ARC Program Director
From: Hubert Sparks, Inspector General

Subject: Report 16-28, State Strategy Statements and Development Plans

This report updates report 15-13, March 27, 2015 that recommended improvements in the annual State Strategy Statements to better achieve statement objectives of identifying areas of emphasis for ARC funds in the coming year and where applicable strategies for distressed county programs.

Legislation provides that each State member, pursuant to policies the ARC establishes, shall submit a Development Plan for the area of the State within the Appalachian Regions and the Plan shall be submitted according to a schedule the Commission prescribes. The Plan sets forth the goals objectives and priorities of the State and the needs on which the goals, objectives and priorities are based.

The ARC Code provides that the governor of each Appalachian State shall submit a State Appalachian Development Plan within 10 months after taking office. The Code also provides that prior to December 15 of each year the State shall submit a Strategy Statement describing the State's programs for achieving the goals and objectives contained its State Development Plan.

A review of available State Strategy Statements for FY 2016 disclosed the statements emphasized and included the primary statement objectives. However, FY 2016 statements were not received from Kentucky, New York and Ohio and the Virginia statement was received late in FY 2016. In three instances the applicable State Appalachian Development Plan had not been submitted. Timely receipt would allow ARC to use the information in connection with overall goals, objectives and grant approvals.

As of August 29, 2016 Strategy Statements for FY 2017 were approved for nine states.

We recommend that timely follow-up actions be initiated when Development Plans and Strategy Statements are not received. Also, consideration of incentives to better assure receipt and utilization of these documents is recommended.

cc: Assistant General Counsel