

## 1) Understanding of regional conditions and needs

A 2021 report from the Kentucky Chamber Foundation ranked Kentucky third lowest in the country for workforce participation, with rural counties in Eastern Kentucky having notably lower rates than other parts of the state.<sup>1</sup> A 2023 Kentucky Center for Statistics publication described the state's Appalachian counties as "the exception...contributing to Kentucky's low labor force participation" since other regions of the state were consistent with similar areas nationally.<sup>2</sup> The region has contemporary and historical challenges, but the people of eastern Kentucky have the same hopes and dreams as everyone else. Eastern Kentuckians have tremendous pride and deserve better than to be seen as the statistical anomaly holding back the rest of the state. The Economic Development Administration's (EDA) Recompete Pilot program presents the perfect opportunity to break the cycles of generational poverty for thousands of residents and prove a model for closing Eastern Kentucky's prime-age employment gap (PAEG) for generations to come.

This proposal targets twelve counties in the Eastern Kentucky Coalfields: Bell, Floyd, Harlan, Johnson, Knott, Knox, Leslie, Letcher, Magoffin, Martin, Perry, and Pike — all persistent poverty counties as defined by the EDA.<sup>3</sup> An overall lack of jobs in the region and a maze of additional barriers resulting from the coal industry's decline prevent individuals in the PAEG from entering the workforce. Based on American Community Survey (ACS) data and the EDA Recompete eligibility methodology, the average PAEG for these counties is approximately 28%. To reach parity with the national prime-age employment rate, an estimated 33,680 new workers aged 25 – 54 must return to the workforce and find employment.

Regional employers report that filling open roles is their top concern.<sup>4</sup> With over a quarter of 25- to 54-year-olds either unemployed or completely out of the workforce, national companies are unwilling to invest in the region. Locally, businesses are also at a standstill, needing help to fill open positions. Even with openings, fewer good jobs are available without additional business growth and new investment, further discouraging job seekers and exacerbating the regional workforce's weaknesses. Skill gaps often make reentry challenging once people have been out of the workforce. An estimated 9,041 PAEG individuals in the region lack a high school diploma or equivalent, and 12,359 *only* have a high school diploma or equivalent. Significant earnings disparities exist between these groups and people with more education.<sup>5</sup>

Community partners state that the most significant barriers to employment are limited childcare, transportation, and housing. The mountainous region means the population is spread across a large geographic area, minimizing employment, training, housing, and supportive services clusters. Geography likewise limits infrastructure expansion and the manufacturing opportunities associated with it. Innovation is necessary for economic survival.

Expanding remote work opportunities has helped many in the PAEG find jobs, but reliable high-speed internet needs to be more consistent. The digital divide further compounds education gaps; 27% of households lack broadband, and 22% lack a computer, making accessing digital resources, training, and

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<sup>1</sup> <https://tinyurl.com/2trnmcnc>

<sup>2</sup> <https://kystats.ky.gov/Blogs/BlogContent/3>

<sup>3</sup> <https://tinyurl.com/3e6h5y7k>; <https://tinyurl.com/5n77thxb>

<sup>4</sup> SOAR interviewed the region's largest growing employers as research for this proposal.

<sup>5</sup> Based on American Community Survey data.

jobs difficult.<sup>6</sup> Shaping Our Appalachian Region (SOAR) works to improve digital equity in Eastern Kentucky, successfully registering over 200 individuals for the Affordable Connectivity Program, connecting almost 300 people to employment through remote job fairs, and helping expand broadband access.

Increasing remote work and small business entrepreneurship can level the playing field for the most disadvantaged individuals. Remote work opportunities help provide local employment and bring new wealth to the region, boosting local economies- especially important in an area where workers may otherwise need to travel long distances to secure good jobs. Concurrently, new companies consistently provide the highest number of net new jobs annually in the United States. With strategic investment and wrap-around support, entrepreneurs in Eastern Kentucky can help solve PAEG workers' challenges while providing opportunities for other PAEG workers to pursue entrepreneurship.

For the region's 16,987 women in the PAEG, a lack of affordable and quality childcare can preclude them from pursuing a job or education. Women were more likely to lose jobs or leave work during the COVID-19 pandemic,<sup>7</sup> and many have not returned.<sup>8</sup> These impacts have hit most acutely for those with lower incomes, less education, and in single-parent households.<sup>9</sup> The Kentucky Early Childhood Education Task Force found that many rural people live in childcare deserts, and 50% of families surveyed reported that childcare was the most significant barrier to workforce participation.<sup>10</sup> Scarcity drastically increases prices, and many decide to leave the workforce when childcare costs exceed wages or work disqualifies them from safety net programs. New in-home daycares started by PAEG individuals will allow previously sidelined parents to generate income while caring for their children and simultaneously bring better childcare options to the region, helping others in the PAEG get to work.

Despite these challenges, regional leaders are coming together to build a future for the region in a post-coal world by promoting small businesses, entrepreneurship, and growth-oriented sectors like healthcare and renewable energy. SOAR has led the way in entrepreneurship, helping almost 60 entrepreneurs launch new businesses and leverage nearly \$30 million in additional financing. Regionally, healthcare has been the fastest-growing local sector. Between 1990 and 2022, the number of private sector establishments in healthcare grew by 242%, jobs by 125%, and total wages by 86%.<sup>11</sup> Eastern Kentucky is also becoming a popular destination for large-scale renewable energy projects such as solar farms.<sup>12</sup> As these bright spots illustrate, Appalachian Kentucky has the potential for a better future. Still, it must ensure that prime-aged individuals upskill or reskill and connect to good jobs with living wages, benefits, and opportunities for equitable empowerment.

## **2) Strategy and Potential Investments**

SOAR proposes a coordinated and innovative group of seven projects to narrow the PAEG in 12 Eastern Kentucky counties. These projects were formulated after more than three months of engagement with 20+ regional stakeholders and are flexible to fit the needs of economically distressed communities. These

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<sup>6</sup> <https://alfred.stlouisfed.org/category?cid=28340>; <https://tinyurl.com/4z93akhn>

<sup>7</sup> [https://www.richmondfed.org/publications/research/economic\\_brief/2022/eb\\_22-16](https://www.richmondfed.org/publications/research/economic_brief/2022/eb_22-16)

<sup>8</sup> <https://www.uschamber.com/workforce/data-deep-dive-a-decline-of-women-in-the-workforce>

<sup>9</sup> [https://www.richmondfed.org/publications/research/economic\\_brief/2022/eb\\_22-16](https://www.richmondfed.org/publications/research/economic_brief/2022/eb_22-16)

<sup>10</sup> <https://tinyurl.com/3h4vjze7>

<sup>11</sup> <https://www.bls.gov/cew/downloadable-data-files.htm>

<sup>12</sup> <https://www.fastcompany.com/40416725/these-kentucky-coal-mines-could-become-a-massive-solar-farm>

projects will reduce Eastern Kentucky's short-term PAEG while making strategic long-term investments to ensure the region does not fall behind again.

1. Social enterprise accelerator (\$9 million): This project establishes a small business accelerator focused on solving regional childcare, transportation, and housing needs. Small businesses are the region's job creation catalysts. Social enterprise businesses will create jobs and lower barriers keeping people from working. The accelerator includes education, technical assistance, and capital access to 10 entrepreneurs annually launching new small businesses that create jobs and reduce PAEG barriers. **Project Leads:** SOAR, the Foundation for Appalachian Kentucky, and the Appalachian Early Childhood Network
2. Future tech transfer (\$500,000): This project invests in Eastern Kentucky's technological ecosystem to build and sustain partnerships steering commercialization efforts toward underserved regions - funding new partnerships like SOAR's work with the University of Kentucky and the National Science Foundation's Innovation Engine grant program. Future technology and innovation, like AI, additive manufacturing, and energy-efficient technologies, are critical to solving social and economic problems in areas relevant to the PAEG and will prevent Eastern Kentucky from falling behind. This project ensures Eastern Kentucky harnesses such innovation to commercialize scalable solutions to PAEG challenges, creates good job opportunities, and lowers barriers to employment. **Project Leads:** SOAR
3. Outreach and retention (\$7.5 million): This project identifies, recruits, and retains PAEG workers through digital and community outreach campaigns and mentorship. Recruiting and retention are vital to PAEG workers' success and must incorporate an understanding of remote and rural communities' dynamics, effective digital engagement, and in-person community campaigns. In addition to digital and in-person outreach, paid, full-time mentors will help PAEG individuals identify workforce participation barriers and make concrete plans to overcome them. Mentors with similar lived experiences will be trained in skills needed to help clients navigate complex supportive services, workforce training, and employment environments and increase accountability. **Project Partners:** SkillUp, IKORCC, Local 248,
4. Workforce support and training network (\$16 million): This project coordinates an employer-driven partnership for workforce support and training focused on PAEG workers. The regional workforce innovation board and local community action agencies will deploy existing Workforce Innovation and Opportunity Act (WIOA) dollars to guide PAEG individuals through industry-recognized training and certification programs. Recompete funds will create a flexible pool of resources to supplement (*not* replace or supplant) existing funding based on individualized needs assessment and scheduled training plans based on needs identified by regional employers. For example, individuals may need foundational skills training in workplace readiness or digital literacy. Others may require help with wraparound support like childcare and transportation or assistance with training and certifications. Union workers often need help to acquire tools and equipment and offset travel and living expenses incurred before new apprentices receive their first paycheck. Often, such support is not readily available and is a barrier for PAEG workers to access existing resources. **Project Partners:** Eastern Kentucky Concentrated Employment Program (EKCEP), Pikeville Medical Center, Appalachian Regional Healthcare, and the Kentucky Community & Technical College System.
5. Appalachian Digital Career Center (\$10 million): This project will fund two specific remote work training programs in Eastern Kentucky: Teleworks USA and Code Kentucky. Since its creation in 2015, Teleworks USA has connected Eastern Kentuckians to nearly 5,000 remote jobs for companies like Apple and GM; grant funds will expand staff to assist more PAEG workers in taking advantage of this

opportunity. Code Kentucky is a free software development training program that aids graduates in obtaining entry-level software development positions; grant funds will develop and teach a digital skilling program and expand course offerings, making higher-skilled remote work a real option for PAEG workers. In introductory digital skilling courses, students will gain the knowledge needed to obtain open remote positions or complete Code Kentucky's advanced courses. **Project Partners:** EKCEP, Code Kentucky

6. Patient Care Technician Training Facility (\$2 million): This project will build a training facility to support individuals pursuing healthcare careers, initially through an on-the-job program for PAEG workers to become patient care technicians. This career-beginning role that helps nursing staff inside hospitals provides primary patient care. This includes six weeks of on-the-job training at no cost to trainees. This project expects to train 50 patient care technicians annually. **Lead Partner:** Pikeville Medical Center
7. ARH Allied Health Training Academy (\$5 million): This project will expand facilities and training programs for individuals pursuing careers as Licensed Practical Nurses, medical assistants, and nursing assistants. This will increase the number of much-needed skilled healthcare professionals in the region and provide PAEG workers with gateway jobs in the healthcare industry. This project will train and fill 90 open positions annually. **Lead Partner:** Appalachian Regional Healthcare

### **3) Equity, Inclusivity, Accessibility, and Diversity**

SOAR's past efforts have effectively reached underserved and low-income residents in Eastern Kentucky. When the coal industry collapsed around 2014, thousands of miners and their families were stranded with no other job prospects. SOAR quickly connected many to new healthcare, technology, and remote work training opportunities. Over five years, 1,756 dislocated workers were reskilled and reemployed in good jobs without leaving the region. Meanwhile, SOAR's prior engagement with women demonstrates the power of small business development and entrepreneurship. After hosting a 10-week startup boot camp specifically for women, nearly 20% of the original cohort started new businesses within two years, creating over 20 jobs in sectors like hospitality and textiles.

The 12 counties in the proposed service region are all remote, sparsely populated rural, and persistent poverty counties with limited resources to serve high concentrations of disadvantaged residents. Drawing on previous success in supporting dislocated coal workers, SOAR's proposed Recompete projects are designed to aid the most underrepresented populations, including women, those without college degrees, members of low-income households, justice-involved populations, and individuals with substance use disorder (SUD). The network of projects is designed to help address a broad array of obstacles with an understanding of how marginalized identities intersect and reinforce challenges and with a primary focus on all populations included in the PAEG.

This Recompete Plan draws heavily upon input from organizations directly serving workers and marginalized populations. Labor unions, nonprofits, recovery centers, area development districts, and community action agencies' buy-in and involvement greatly increase the probability of EDA assistance successfully reaching its intended audience. Specialized partners like the Appalachian Early Childhood Network and the Housing Development Alliance can lend their expertise and provide deeper insight into customers' challenges and how to create solutions that are truly useful to customers. In Phase II, SOAR will create a steering committee with direct representation from underrepresented individuals to ensure good intentions lead to desired outcomes.

Coordinated outreach and engagement through digital and community-based campaigns will ensure connections to individuals through social media and social service spaces. Frontline organizations like the East Kentucky Dream Center and Community Action Agencies working through Kentucky’s JobSight network serve low-income clients and will be an initial point of contact directing people into the support networks connected by the proposed Recompete projects. Concurrently, SkillUp, a partner specializing in creating tailored digital outreach to connect specific customer groups to relevant training, expects to generate an estimated 20,000 impressions of Recompete program services by the region’s PAEG individuals annually. Pairing digital outreach with in-person work at community gatherings, such as school sporting events or job fairs, will make reaching people where they are easier. Additionally, strong trades labor union and healthcare industry support will ensure messages target potential new employees and apprentices, providing the strongest, most diverse possible avenues into those opportunities.

#### 4) Regional Assets

<b>Regional Employers</b>	
Appalachian Regional Healthcare (ARH)	Eastern Kentucky’s largest private employer; sponsors nursing scholarships in local community college; <sup>13</sup> Locations in nine target counties <sup>14</sup>
Pikeville Medical Center (PMC)	Eastern Kentucky’s largest single-site private employer spearheaded Project HEART <sup>15</sup> (Healthcare Employment Around Regional Training) as a regional initiative to meet the growing need for a strong healthcare workforce
Primary Care Centers of Eastern Kentucky	United States’ third largest rural health clinic; partners with Perry County Board of Education to provide care to students during school <sup>16</sup>
<b>Regional Training &amp; Professional Organizations</b>	
Kentucky Community & Technical College System	Three colleges with 15 locations within target counties offer degree and certification programs and partner with local employers to support students at reduced costs <sup>17</sup>
Code Kentucky	Remote work model based on Code Louisville, which has placed over 800 people into technology jobs since 2017; offers education, mentorship, and job placement support <sup>18</sup>
Galen College of Nursing	Private nursing college with two locations in service region; works with nontraditional students and gives extra student support to meet needs <sup>19</sup>
Indiana Kentucky Ohio Regional Council of Carpenters (IKORCC)	Provides training, healthcare, and benefits to members; partners with regional contractors to complete residential, commercial, and industrial building and service projects <sup>20</sup>

<sup>13</sup> <https://www.arh.org/newsfeed/arh-expands-nursing-scholarships-for-students-at-skctc>

<sup>14</sup> <https://www.arh.org/about-us/>

<sup>15</sup> <https://pmcjobs.org/project-heart/>

<sup>16</sup> <https://www.pccek.com/eduhealth/>

<sup>17</sup> <https://tinyurl.com/5useh66m>; <https://tinyurl.com/yfxkezfr>; <https://tinyurl.com/yc4k7yew>

<sup>18</sup> <https://codekentucky.org/>

<sup>19</sup> <https://galencollege.edu/campuses/hazard>; <https://galencollege.edu/campuses/pikeville>

<sup>20</sup> <https://www.ikorcc.com/>

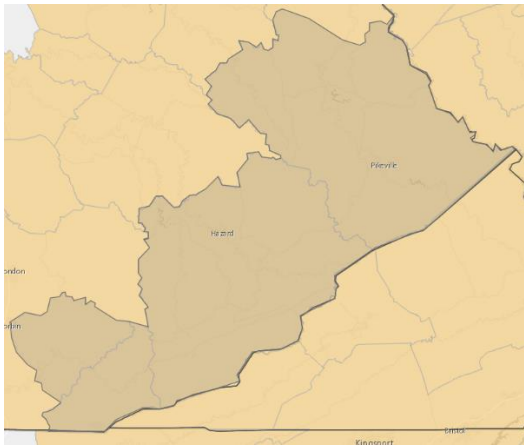
Plumbers, Steamfitters, & HVACR (Local 248)	Provides training, healthcare, and benefits to members; partners with regional contractors to complete residential, commercial, and industrial building and service projects <sup>21</sup>
<b>Regional small business support + accelerators</b>	
Foundation for Appalachian Kentucky	Community investment organization fosters local philanthropy to support regional organizations; Invest 606 Accelerator boosts local small businesses; Appalachian Impact fund provides resources to historically disadvantaged groups and initiatives in the region <sup>22</sup>
SOAR Innovation	Provides direct services and technical assistance to small businesses in 54 counties in Appalachian Kentucky, including business planning, website design, and digital media services; connects entrepreneurs to local funding and financing opportunities, including accelerators and pitch competitions
<b>Regional Supportive Service Organizations</b>	
Eastern Kentucky Concentrated Employment Program (EKCEP)	JobSight network coordinates WIOA funding in partnership with Community Action Agencies. Teleworks USA program, a partnership with local governments and Internet service providers, has connected over 5,000 individuals to remote work jobs since 2015
Local Community Action Agencies	Local JobSight network partners that provide direct WIOA services for eligible job seekers and employers in their service areas.
East Kentucky Dream Center	Faith-based charity that provides free services to individuals and families, including food, clothing, hygiene items, and assistance connecting with additional resources and assistance programs <sup>23</sup>
Housing Development Alliance	A nonprofit affordable housing developer serving Knott, Leslie, Perry, and Breathitt counties, provides affordable homes, home repair, and workforce training for justice-involved populations and individuals with SUD. <sup>24</sup>
Appalachian Early Childhood Network	Provides training and technical assistance for early childhood professionals in Appalachia; part of the Family Childcare Network of Kentucky
Big Sandy Area Development District	A multi-county organization that provides technical assistance and support for regional human resources and infrastructure plans; offers aging, disability, and family support such as a Medicaid Waiver Program <sup>25</sup>

**5) Targeted geographical approach**

These twelve counties were chosen to balance creating opportunities across the largest possible area while keeping the service area small enough to make a measurable reduction in the PAEG. According to the U.S. Census, the overall population in the region declined by 11% between 2010 and 2021 compared to 7% growth for the rest of the country, a period that corresponds to coal employers leaving the region. Overall employed persons in these counties fell by 27,545 between 1995 and 2022.<sup>26</sup> Per capita income is 54% of the national average.<sup>27</sup> Thirty percent of total residents in these counties live in poverty, almost three times

<sup>21</sup> <https://local248.com/>  
<sup>22</sup> <https://www.appalachianky.org/>  
<sup>23</sup> <https://www.ekdc.info/>  
<sup>24</sup> <https://housing-development-authority.websitepro.hosting/faqs/>  
<sup>25</sup> <https://bigsandy.org/aging-services>  
<sup>26</sup> <https://alfred.stlouisfed.org/category?cid=28340>  
<sup>27</sup> <https://tinyurl.com/4z93akhn>

the national average. Over 32% of people in these counties receive SNAP benefits, 2.6 times the national rate. These counties have an estimated 33,680 PAEG individuals, all facing considerable challenges in reaching employment.



IMPLAN modeling of seven healthcare and technology occupations projected **a direct impact of 1,698 new jobs and \$216,828,056** in new labor income over five years by investing in Home Health and Personal Care Aides, Nursing Assistants, Medical Assistants, Social and Human Services Assistants, Solar Photovoltaic Installers, Computer User Support Specialists, and Software Developers/Quality Assurance Analysts. These occupations were selected for the model because they require certifications that can be obtained within two years from training programs already available through regional partners, training is affordable, and they collectively represent over 1,300 openings in the

region *annually*. These gateway positions lower the barrier of entry to finding a job and provide a foundation upon which to seek further training and advancement. Based on stakeholder interviews, employers and trade unions have programs for people to stack additional certifications on their initial credentials to advance their careers and increase their pay. However, they frequently encounter challenges locating enough people to maximize those opportunities.

This job mix reflects current demand from local employers and the greatest potential for growth based on data from the Bureau of Labor Statistics. Two healthcare employer partners alone currently have 1,500 job vacancies. Large solar energy projects have already been announced in Martin and Knott Counties, and a pump storage project is planned in Bell County. Ensuring local people have appropriate training, including opportunities for union apprenticeships and union jobs, will prepare the region to capture the full benefits of the projected 2,300 construction jobs these projects will create.<sup>28</sup>

While modeling demonstrates the impact of concentrated efforts among PAEG workers in entry-level positions (1,698 jobs and \$217M net income), the project will support PAEG workers' pursuit of many feasible job opportunities. It will not limit access to occupational pathways that meet the individual's assessment and needs. These include access to union apprenticeships; creating new small businesses focused on solving the region's most significant barriers to reducing the PAEG and creating new jobs themselves; technology commercialization to ensure entrepreneurs have access to game-changing new technologies, skills training, and support services leading to good jobs; new investments in healthcare, the region's largest employment sector; and digital skilling initiatives. Each of these initiatives addresses a fundamental barrier to reducing Eastern Kentucky's PAEG gap, leading to career pathways that promote Good Jobs with living wages, good benefits, and empowerment in a diverse, equitable regional economy.

## 6) Partnerships and potential commitments

An undertaking of this scale is not possible alone, and Eastern Kentucky is fortunate to have an ecosystem of organizations committed to building a better future for all residents. This non-exhaustive list represents

<sup>28</sup> <https://tinyurl.com/5n8fwxzy>

entities that support SOAR’s Recompete Plan and have committed to its implementation. Some partners may fit into multiple categories but have been organized based on their primary role within the proposed project. For example, labor unions are crucial employment and training partners, but their immediate need in the scope of the Recompete Plan is help with Outreach to PAEG individuals to demonstrate the opportunities in apprenticeship programs.

**Outreach Partners**

These organizations will assist SOAR in locating PAEG individuals in the community and connecting them to the broader project network so they can access training, support services, and job placement. Outreach will be done in both in-person and digital venues.

IKORCC—Trades	Local 248 —Trades
SkillUp	

**Employer Partners**

These organizations represent the largest regional employers in their specialties and have a history of cultivating a local workforce. In addition to hiring PAEG individuals, some partners have discussed other ways to contribute to Recompete projects. For example, PMC will be a direct partner for the proposed Patient Care Technician Training Center, and ARH has committed to establishing a 15,000 square foot Allied Health Training Academy.

PMC	ARH
Primary Care Centers of Eastern Kentucky	Edelen Renewables (Solar)
Rye Development (Renewable Energy Storage)	

**Training Partners**

Training partners include local educational institutions, professional organizations, and skilling programs. They offer degree or certification programs for the occupations demanded by local employers or are timed and priced to minimize entry barriers to employment.

Kentucky Community & Technical College System—Healthcare/Trades/etc.	Galen College of Nursing—Healthcare
Kentucky Adult Education—Workplace Readiness/GED	Code Kentucky—Technology/Digital

**Support Partners**

Using their existing relationships, SOAR can better serve and reach PAEG individuals in familiar spaces. Along with EKCEP and the community action agencies, the East Kentucky Dream Center is a regional nonprofit that provides basic needs like food and clothing for at-risk populations. This group also includes specialized partners to provide training or financing for prospective small businesses as part of the social enterprise accelerator (SEA).

EKCEP	Foundation for Appalachian Kentucky—SEA
East Kentucky Dream Center	Housing Development Alliance—SEA
Appalachian Early Childhood Network—SEA	Community Action Agencies
Big Sandy Area Development District	