



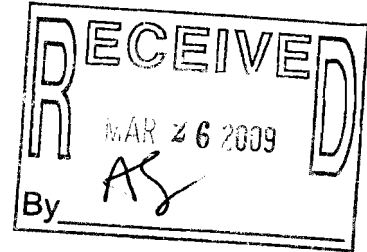
Mark Sanford
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Joe E. Taylor, Jr.
Secretary

March 24, 2009

Mr. Doug Dorman
Greenville Hospital System
701 Grove Road
Greenville, South Carolina 29605 29605



Doug
Dear Mr. Dorman:

We have been presented with a great opportunity and a great responsibility. President Obama and Congress have asked the workforce system to be one of the public sector leaders in responding to America's economic crisis. Through the American Recovery and Reinvestment Act we are being entrusted with millions of tax dollars and the responsibility for spending these funds wisely, effectively, and urgently.

A recent New York Times editorial explained part of the task for the stimulus funds:

...in addition to providing relief for today's unemployed, greater emphasis must be placed on job training and retraining and on better education at all levels. If a job slump is short and shallow, old jobs come back. If it is long and deep, like the current one, some old jobs never return and even some industries never revive. That makes it imperative to prepare as a nation for the prospect of a vastly different future.

Together we can help our fellow citizens and their communities get back on their feet and prepare for the economic recovery. But as the recovery is uncertain, we must do all that we can to plan carefully, think creatively, and communicate widely. We intend to work closely with you to make sure that we respond to your questions, concerns and ideas.

Although some guidance has been received from the federal level, we know there is much more to come. However, we want to share what we know so far:

As signed by President Obama, the purposes of the Recovery Act are as follows:

1. To preserve and create jobs and promote economic recovery.
2. To assist those most impacted by the recession.
3. To provide investments needed to increase economic efficiency by spurring technological advances in science and health.
4. To invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits.

5. To stabilize state and local government budgets, in order to minimize and avoid reductions in essential services and counterproductive state and local tax increases.

One day after President Obama signed the American Recovery and Reinvestment Act (“Recovery Act”) of 2009, Peter R. Orszag, the Director of the Office of Management and Budget (OMB), issued a 62 page Memorandum to the heads of all US government departments and agencies. He described the memo as the “first installment of government-wide guidance for carrying out programs and activities enacted in the Recovery Act.” He went on to say that this guidance “established requirements for various aspects of Recovery Act planning and implementation.”

Mr. Orszag states that the intention of these requirements is to achieve particular “accountability objectives” and these objectives are the following:

- Funds are awarded and distributed in a prompt, fair, and reasonable manner;
- The recipients and uses of all funds are transparent to the public and the public benefits of these funds are reported clearly, accurately, and in a timely manner;
- Funds are used for authorized purposes and instances of fraud, waste, error and abuse are mitigated;
- Projects funded under this Act avoid unnecessary delays and cost overruns; and
- Program goals are achieved, including specific program outcomes and improved results on broader economic indicators.

The TEN (Training and Education Notice 30-08) and the TEG (Training and Education Guidance Letter 13-08) that we received last week reinforced these guidelines and added some others. We urge you to read these notices carefully. One sentence is particularly relevant for some of our current work:

The significant investment of stimulus funds presents an extraordinary and unique opportunity for the workforce system to advance transformational efforts and demonstrate its full capacity to innovate and implement effective One-Stop service delivery strategies.

Reporting

According to the Orszag memo, OMB will require of USDOL: weekly updates; monthly financial reports; a “Recovery” plan by each agency and; a separate “Recovery Program Plan” for each Recovery Act program named in the legislation. The demands on USDOL will be passed on to the states. We all will need to prepare for a thorough collection of information about all Recovery Act outreach, activities, funding, and results.

The Recovery Act requires that all parties receiving funding, i.e. federal, state and locals be completely transparent about how all Recovery Act funds are being used. We will need to capture information regarding all the funding the State and Local Boards have received; the priorities the boards have established for using these funds; a list of institutions, contractors, and training providers who have received any of this funding, the purpose for which they were funded, and any outcomes to date. We will use your reporting to us as part of our reporting to the Governor and USDOL.

Planning

We are currently developing a set of priorities for the workforce funding coming through the Recovery Act for the State Workforce Investment Board. Your ideas are welcome. Once these are defined, we will amend our WIA plan (as required by USDOL) to take into account these new and/or amended goals and objectives. This review will include a close examination of current and proposed waivers. LWIBs should also be developing your own priorities in preparation for amending your local plans.

Tracking Expenditures

As described in the OMB memo, all Recovery Act funds must be clearly identified and separately tracked. While it appears that funds can be combined with other WIA funding, the results of Recovery Act investments must be tracked separately and the funds must be accounted for separately. We are already working with the VOS system to provide for this tracking, but you should think about how to do this with any organization that receives Recovery Act funds from you.

Public Meeting

We urge you and your board members to invite the public to your next meeting to present their ideas on the use of this funding. This meeting should probably be held sometime in late April or early May when there is additional clarity about the uses of funding and you feel comfortable explaining all the options. Good preparation for this meeting will help your community understand what opportunities and limitations you have on the use of these dollars.

Our intention is to work closely with you to assist you in planning for the receipt, spending and reporting of these funds. We welcome your ideas and suggestions for topics as well as for how to improve our communication with you and your boards.

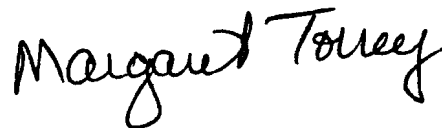
Much more guidance is expected and we will share with you as we receive it.

It is truly our time. This is why we exist --- to help our citizens and our employers get the skills and resources they need to succeed and prosper. We know how to do this and do it well and it's time to tell that story to the rest of the world!

Sincerely,



J. Patrick Hudson
Chairman, Governor's State
Workforce Investment Board



Margaret Torrey
Deputy Secretary for Workforce

cc: Mr. Dean Jones