

**The American Reinvestment and Recovery Act  
(The Recovery Act)  
Workforce Guidance Memo #1**

To: Pennsylvania's Local Workforce Investment Boards (LWIBs)

From: Fred Dedrick  
Deputy Secretary for Workforce Development

Re: Overall Purpose of the Recovery Act, Expected Reporting Requirements  
and Suggestions for Public Participation

Date: 3/11/09

*...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.*

New York Times, editorial, 3/7/09

As signed by President Obama, the purpose of the Recovery Act is 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.

As we work to put these funds to their wisest and best use, it will be important to keep these goals in mind. To focus attention on these key objectives the Pennsylvania Department of Labor and Industry (L&I) will be publishing a series of workforce guidance memos that will strive to provide valuable information, interesting ideas and helpful suggestions about the Recovery Act. This first one is directed to Pennsylvania's 22 local workforce investment boards. From time to time, we may also choose to send a WIN (Workforce Investment Notice) which will set forth state policy on a particular subject. We urge you to discuss these memos with your fellow staff and board members.

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 L&I received last week reinforced these guidelines and added some others. We urge you to read these notices carefully. One sentence in particular caught our eye:

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.

One of our next guidance memos will address this topic.

### 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. Governor Rendell will also have reporting requirements for L&I as well as for all state agencies. Suffice it to say that you will need to prepare yourself for a thorough collection of information about all Recovery Act outreach, activities, funding, and results.

### Planning

L&I is currently developing a set of priorities for the workforce funding coming through the Recovery Act. 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 CWDS 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.

### Reporting Tool

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. Therefore, we recommend that we jointly develop a reporting tool that can serve your board, your local elected officials, your community, as well as L&I. This tool should capture information regarding all the funding the Board has received, the priorities the board has established for using these funds, and a list of institutions, contractors, training providers who have received any of this funding, the purpose for what they were funded and any outcomes to date. We urge you to openly communicate with the public your planning and decision-making regarding the use of these funds. We will use your reporting to us as part of our reporting to the Governor and USDOL.

### Public Meeting

We urge you and your board members to hold a public meeting where you invite the public 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 that these L&I Guidance Memos will 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.