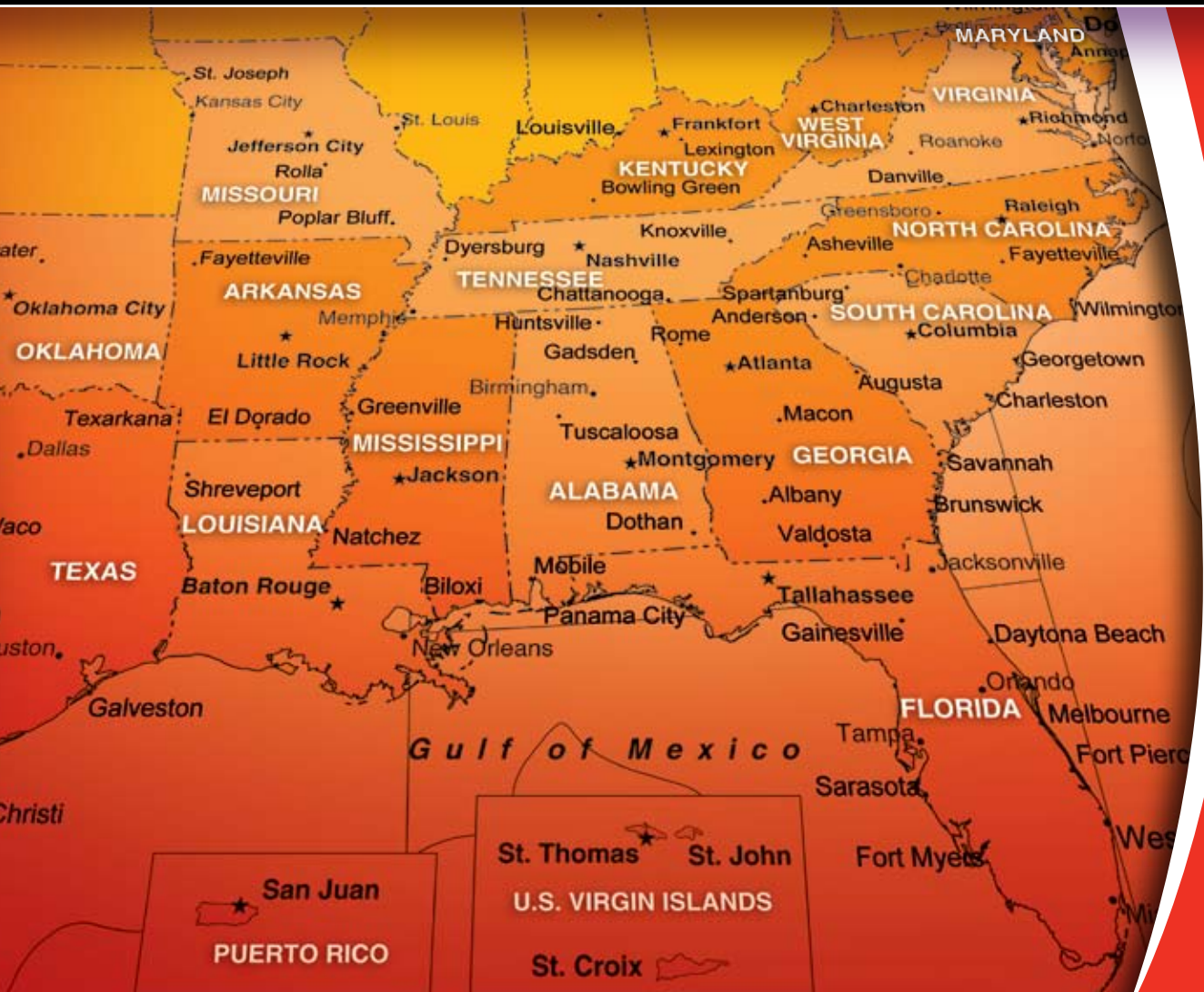


# ANNUAL REPORT 2008

*Thinking Beyond State Lines*

## SOUTHERN GOVERNORS' ASSOCIATION



## SOUTHERN GOVERNORS' ASSOCIATION

The ongoing **mission** of SGA is to provide a bipartisan, regional forum for member governors where they can exchange ideas and successes for addressing common state challenges, collaborate to help shape national policy and, with the private sector, share perspectives and identify new resources and tools for the continued growth and prosperity of the American South.

A map of the Southern United States, showing states from Missouri to Alabama and Louisiana. Major cities like St. Joseph, Kansas City, St. Louis, Louisville, Jefferson City, Rolla, Poplar Bluff, Fayetteville, Memphis, Little Rock, Greenville, Jackson, Natchez, Shreveport, Biloxi, New Orleans, and Galveston are labeled. State names like MISSOURI, ARKANSAS, OKLAHOMA, MISSISSIPPI, LOUISIANA, TENNESSEE, and ALABAMA are also visible.

*Taking a Broad View  
To Serve Our Members*

In the past year, the Southern Governors' Association (SGA) continued a tradition of helping member governors by thinking — and acting — beyond state lines.

More than ever, SGA helped members and their staffs communicate and collaborate with each other to better serve their states ... and connect with the issues and resources that are of prime concern to the citizens whom they serve. At the same time, SGA worked to foster strategic relationships among member governors and a host of businesses, educational institutions and other organizations. As a result, SGA is helping members shape a more prosperous and competitive American South.

## *A Message from the Chairman*



As I prepared to assume the chairmanship of SGA in August 2007, I spent time thinking about the issues that all SGA member governors face, and which of these could most benefit as a result of our combined efforts. After some consideration, the issue that seemed most promising was that of workforce development.

Without question, some of the most important work we governors do focuses on attracting companies that will bring good paying jobs and retaining those that are already in our respective states. Our ability to succeed at these tasks hinges largely on the results of our education and workforce development programs, and their alignment with the needs of current and potential employers.

Because of the many different funding streams, jurisdictions involved and programs to coordinate, achieving these goals can be elusive. Nonetheless, all of SGA's member governors have been working to improve their understanding of employers' needs, and to streamline and coordinate their workforce, education and economic development initiatives accordingly.

Many of our members already have had great successes in this regard. But beyond our independent efforts, I felt that by working together, we could explore new opportunities to further our individual goals. That is why I directed SGA staff to identify tools and strategies for making it easier and more efficient to gather and analyze the workforce data that we all need.



## SOUTHERN GOVERNORS' ASSOCIATION

The result was a pilot project for governors to assess the value of a tool called the Workforce and Innovation Technical Solution (WITS). By early indicators, our member governors are finding this tool helpful in accessing new information, and are using it to great benefit. The WITS project is just one example of the tools we are assessing, and I expect more will follow.

As every governor knows, state resources are squeezed from many directions. SGA often is in a unique position to help coordinate our efforts on shared priorities to maximize the impact of our own state's resources. Beyond state-focused projects like WITS, SGA's activities in the federal policy arena are another excellent example of how SGA helps leverage our efforts on regionally shared objectives, which are discussed in the following pages.

By using the SGA forum to find collaborative opportunities and facilitate the exploration of solutions, my colleagues and I, along with SGA's corporate partners, are working across our state lines to achieve lasting results. This kind of organizational success would be impossible without the involvement and support of all of SGA's member governors and the participants in our Corporate Affiliates Program, so let me extend a special thanks to each of you.

Our continued involvement will ensure that SGA will become an increasingly valuable resource to each of our states, and the Southern region as a whole, for many years to come.

Joe Manchin III  
Governor of West Virginia

# *A Year of Accomplishments Across State Lines*

## Federal Legislative and Programmatic Actions

During 2007-08, SGA continued efforts to support governors' policies and priorities through our work on numerous federal legislative and programmatic actions. We made significant progress on several issues that span Southern state borders, including those described below.

### **Pressing for Equity in LIHEAP**

As energy costs continue to rise, low-income families across the South are struggling to pay their utility bills and many are turning to their states for help through the Low Income Home Energy Assistance Program (LIHEAP). Congress created LIHEAP in 1981 to help poor families with their energy bills, but unfortunately, Southern states are consistently short-changed by the formula used to determine the program's allocations. In fact, SGA states are home to nearly 40 percent of LIHEAP-eligible families, but receive only 22 percent of LIHEAP funds on average each year.

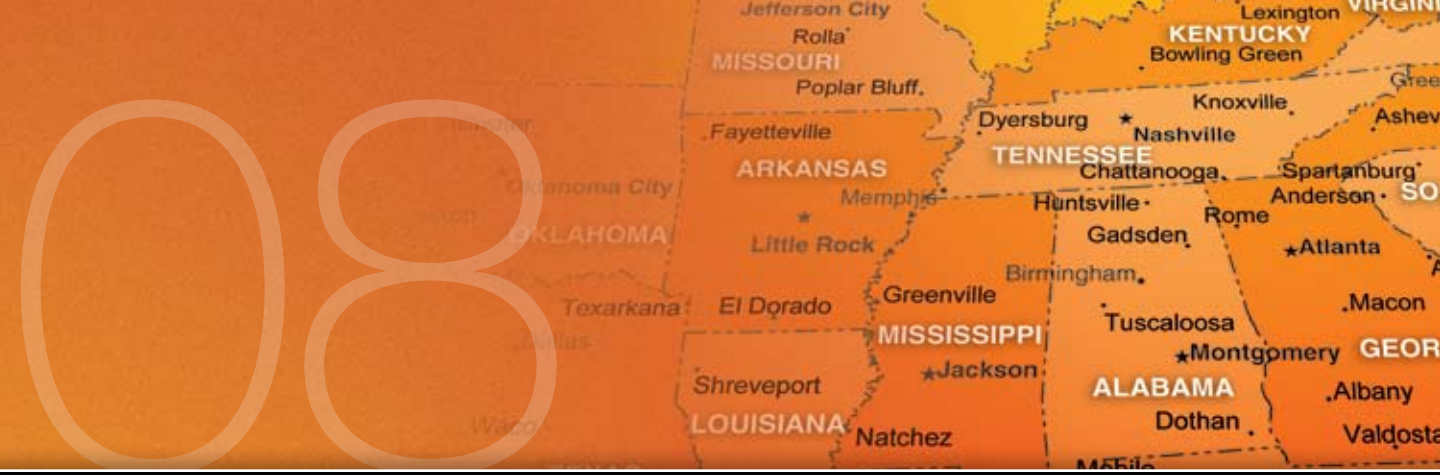
The LIHEAP distribution formula — developed when much less was known about the negative health impacts of hot weather — is heavily skewed in favor of households in cold weather regions of the country. Specifically, the first \$1.975 billion in LIHEAP block grant dollars is distributed according to an outdated formula based on pre-1980 data on population, poverty, fuel costs and weather patterns. Rarely does Congress appropriate funding above this initial allocation. More to

the point, the program emphasizes heating assistance needs at the expense of cooling assistance needs.

With the help of our champions in Congress, SGA is working to fix this antiquated formula so that state LIHEAP allotments can reflect the most up-to-date data available regarding eligible households and their actual energy needs. During the past year, SGA mounted an education campaign to make Southern congressional delegation members aware of the significant flaws in the formula, as well as the opportunities for making LIHEAP distributions more equitable. SGA has worked especially closely with Senator Elizabeth Dole of North Carolina on draft legislation that would significantly improve equity in the LIHEAP program.

### **Helping Governors Optimize Workforce Investments**

Southern governors continually strive to build a highly skilled workforce in their state. To do so effectively, our member governors must be able to align their workforce development



## SOUTHERN GOVERNORS' ASSOCIATION

and training investments with their state's economic development goals and the needs of both current and future employers.

During this past year, SGA made significant progress in this area by enabling governors to join forces across state lines to gain access to the Workforce Innovation and Technical Solution (WITS), an innovative Web-housed database. WITS provides instant access to the latest information on demographics, occupational and educational attainment, federal investment, employment and wage data, patents and private R&D funding. What's more, SGA member governors and their staffs can easily combine this data with cutting-edge Geographic Information Systems (GIS) mapping technology to determine workforce trends, make better investment decisions, monitor progress and capitalize on opportunities.

### **Finding Common Ground on Children's Health Insurance**

This past year, Congress was unable to come to an agreement on the reauthorization of the State Children's Health Insurance Program (S-CHIP), simply extending the program in its current form rather than making the critical programmatic changes states need to improve their ability to provide health care to poor children. Despite Washington's inability to reach consensus, SGA was able to help Southern governors come together in sup-

port of a consensus-based platform outlining essential components of S-CHIP reauthorization legislation and press for inclusion of these principles in reauthorization legislation. Among other principles included in the platform, Southern governors stressed the need for adequate funding, accuracy of data and prioritizing coverage for poor children. SGA will continue this work to advance governors' common platform when Congress refocuses its attention on children's health care in 2009. This effort underscores how governors are using SGA as a means of forging bipartisan consensus for the betterment of the region.

### **Monitoring Federal Activities Impacting the Availability of Reasonably Priced Property and Casualty Insurance**

Throughout the Southern region, particularly in areas most regularly affected by natural disasters such as hurricanes, the private insurance markets have become increasingly unstable, limiting the availability of homeowners insurance. SGA has helped members stay informed about congressional actions to alter the current property and casualty insurance system, as well as Congress' efforts to reauthorize the National Flood Insurance Program. SGA also has worked to develop snapshots providing an overview of each member state's property insurance market, insurance regulation, loss mitigation and recent actions and legislation.

### Extending and Expanding TANF

When Congress created the Temporary Assistance to Needy Families (TANF) program in 1996, it also created the TANF Supplemental Grant program for those states requiring additional resources beyond TANF's basic block grant allocations. While TANF itself is not up for reauthorization until the end of FY 2010, the Supplemental Grants program will expire on September 30, 2008, unless Congress acts to extend it.

Currently 17 states, including nine Southern states, receive TANF Supplemental Grants. If Congress were to allow this important program to lapse, it could reduce the avail-

ability of critical TANF services that make it possible for low-income parents to find and keep employment, support their families and contribute to society.

SGA has been working with our allies in Congress to extend the TANF Supplemental Grants program until FY 2010 and expand it to include a number of additional Southern states. These states have far less TANF resources per poor child than the national average, yet have never received a TANF Supplemental Grant. SGA also has helped governors' staffs stay informed about the outlook for this program in Congress by keeping them connected with key staff on Capitol Hill.

## Communications and Marketing Initiatives

Our governors and their staffs are executing highly effective communications efforts within their states to better inform their respective constituencies. Last year, SGA complemented these efforts by creating communications and marketing resources to more widely reflect and support the work our governors are doing to strengthen the region.

### Serving as the South's "Information Broker"

In late 2007, we completely redesigned our Web site, [www.southerngovernors.org](http://www.southerngovernors.org), to serve as a "one stop shop" for customized information on Southern governors and their work. In a parallel effort, we launched *SGA Today*, a compilation of media stories and press releases showing our governors in action. This news round-up is distributed via email every weekday to our subscribers.





## SOUTHERN GOVERNORS' ASSOCIATION

### **Developing Specialized Resources for Members**

In addition to producing issue briefs, fact sheets and talking points, last year SGA consolidated and analyzed the content of *SGA Today* on a quarterly basis to provide a more comprehensive reflection of gubernatorial activity. The result of these customized reports allowed stakeholders to gain a better understanding of the issues facing the South and the actions our governors are taking to address them.

### **Showing Our Governors in Action**

The "Governors in Action" feature, prominently displayed on SGA's home page, reflects our governors' "good works" and continues to showcase the many important programs, priorities and initiatives in which our member governors are involved. Phase Two of our efforts will include launching a multimedia center.

### **Consensus and Relationship Building**

Over the past year, SGA continued working to foster collaboration and dialogue across state lines among members and their staffs. In addition to the monthly meetings where we discussed shared issues and initiatives, we also held a series of relaxed social events where governors' staff could build connections with each other, members of our Corporate Affiliates Program and staff from Southern states' congressional offices.

### *Exploring Options*

Beginning in 1934 and for its first decade, the organization that would become the Southern Governors' Association operated as an independent entity on behalf of the membership. From the late 1940s to the present, SGA has worked in affiliation and partnership with The Council of State Governments (CSG), an arrangement that provides administrative support and a point of collaboration for our member governors and their staffs with other branches of state government. To ensure greater continuity of focus and direct value to members, this year SGA governors approved a series of actions that will allow SGA to reestablish its legal independence and clarify its affiliation with CSG. While still a work in progress, the goal is to bring renewed focus, energy and accountability to the organization.

## Our Members at a Glance

For the past 74 years, Southern governors have worked together in a bipartisan manner to promote new economic opportunities throughout the region, respond to and recover from natural disasters, safeguard natural resources and generally improve the quality of life for their constituents. In recent years, the South has become the dominant region in the country — a region



### ALABAMA

“Thanks to the record investments we’re making in groundbreaking programs like the *Alabama Math, Science and Technology Initiative*, our students are achieving more and are better prepared for the future.”

—Alabama Gov. Bob Riley

### ARKANSAS

“Where others have seen traditional divisions, let us embrace our common humanity. Where others witnessed history repeating itself, let us seize opportunities and create a new awakening to the possibilities of change and the promise of success.”

—Arkansas Gov. Mike Beebe



### FLORIDA

“As Governor, I will continue to focus on stimulating Florida’s economic development in the renewable and alternative energy fields.”

—Florida Gov. Charlie Crist

characterized by innovation, growth and opportunity. Southern governors are at the forefront of key changes in the region, and through SGA, these leaders have a unique opportunity to exchange ideas, explore common issues, address pressing problems, coordinate regional collaborative initiatives and promote regional accomplishments.

## SOUTHERN GOVERNORS' ASSOCIATION



### GEORGIA

“Georgia is cultivating a culture of conservation. From our plan for secure, clean water resources to our investments in land conservation and alternative energy, we know that we’re only holding Georgia in trust for future generations.”

—Georgia Gov. Sonny Perdue

### KENTUCKY

“Kentucky, like other states, faces difficult economic times. But I am optimistic that with a vision for a new economy and the pioneer spirit that is emblematic of Kentuckians, we will create a better future for the Commonwealth.”

—Kentucky Gov. Steven L. Beshear



### LOUISIANA

“Today I’m joined by LSU Head Coach Les Miles and the popular Louisiana band, Better Than Ezra, to kick off *Get a Game Plan* — a campaign to encourage our citizens to prepare for the upcoming hurricane season.”

—Louisiana Gov. Bobby Jindal

# Our Members at a Glance

## MARYLAND

"Maryland's natural environment is a wonderful resource for childhood learning, and we intend to ensure that our children make strong connections with our natural world so they can grow to become informed and responsible stewards."

—Maryland Gov. Martin O'Malley



## MISSISSIPPI

"Since 2004, we've created more and better jobs for our citizens, stabilized the state budget, enacted comprehensive tort reform and not raised taxes. We've created a business-friendly environment, and captured one of the most 'sought after economic development projects in the U.S.' – Toyota Motor Corporation."

—Mississippi Gov. Haley Barbour

## MISSOURI

"Education is my highest priority, and Missourians can be proud of all we have accomplished for our students. The significant funding increases I have championed have a real and measurable impact on young Missourians."

—Missouri Gov. Matt Blunt



## SOUTHERN GOVERNORS' ASSOCIATION

### NORTH CAROLINA

"*More at Four* prepares young learners with literacy, math and social skills and is a proven drop-out prevention strategy. We are proud that it has also been recognized as one of the top pre-K programs in the nation."

—North Carolina Gov. Mike Easley



### OKLAHOMA

"We cannot move forward by pushing back. We must set aside partisan bickering and reactionary politics. The people of Oklahoma have nothing to gain from petty quarrels, and our time is too precious to waste in gridlock."

—Oklahoma Gov. Brad Henry

### PUERTO RICO

"We cannot forget the protection of our environment — the *Legacy 100,000 Project* encompasses measures to conserve resources, set aside land for public use and the planting of four million trees in four years."

—Puerto Rico Gov. Aníbal Acevedo Vilá



## Our Members at a Glance



### **SOUTH CAROLINA**

"With the growth that's headed here over the next decade, now is the time to make sure our natural resources are protected. Our quality of life and competitive advantage lie in preserving South Carolina's natural beauty and resources."

—South Carolina Gov. Mark Sanford

### **TENNESSEE**

"It's my goal to leave things a little better for the next generation, focusing on their health, education and future. If I do the job right, I hope to be remembered as the *children's governor*."

—Tennessee Gov. Phil Bredesen



### **TEXAS**

"A proactive approach to fitness makes a huge difference in a person's life and for our state's overall health. My *GetFitTexas!* initiative features programs like *Texas Roundup* that helps Texans complete and log 30 minutes of exercise five times a week."

—Texas Gov. Rick Perry

## SOUTHERN GOVERNORS' ASSOCIATION



### U.S. VIRGIN ISLANDS

"If we work together, if we act with integrity, we can in fact achieve great things."

—U.S. Virgin Islands Gov. John P. deJongh, Jr.

### VIRGINIA

"I am passionate about protecting the Commonwealth's precious natural resources. It is a goal of my administration to permanently protect 400,000 acres of land in Virginia."

—Virginia Gov. Timothy M. Kaine



### WEST VIRGINIA

"West Virginia is leading the way in securing our nation's energy future."

—West Virginia Gov. Joe Manchin III

## 2007-08 Financial Data

### BALANCE SHEET

A/R Granting Agency	(673,230)
Advances, Deposits & Prepaids	6,850
Cash & Investments	1,966,178
<b>Total Assets</b>	<b>\$1,299,728</b>
Accrued Leave	2,386
<b>Total Liabilities</b>	<b>\$2,386</b>
Fund Balance — Beginning July 1, 2007	1,152,711
Excess of Revenues over Expenditures	144,649
Fund Balance — Ending June 30, 2008	1,297,360
<b>Liabilities and Fund Balance</b>	<b>\$1,299,728</b>

### REVENUE AND EXPENDITURES

JULY 1, 2007 – JUNE 30, 2008

#### REVENUE

SGA Dues	354,112
CSG Pass-through Dues	284,917
Interest	69,198
Grants & Conferences	766,779
<b>Total Revenue</b>	<b>\$1,475,006</b>

#### EXPENDITURES

Personnel	509,424
General Office	63,413
Equipment	16,471
Occupancy	99,163
Travel	22,857
Consultants	9,531
Indirect to CSG	15,231
Capital Improvements	67,683
Southern Development	60,000
SGA Corporate Portal	30,000
Annual Meeting 2008	349,716
Annual Meeting 2009	16,286
Annual Meeting 2010	165
<b>Total Expenditures</b>	<b>\$1,259,940</b>

This report was compiled by SGA from reports received from The Council of State Governments, through June 30, 2008. Final year-end adjustments will be made by mid-August and an audit will be conducted in September 2008.



*2007-08 Executive Committee*

**West Virginia Gov. Joe Manchin III**  
Chairman

**Virginia Gov. Timothy M. Kaine**  
First Vice Chairman

**Florida Gov. Charlie Crist**  
Second Vice Chairman

**Mississippi Gov. Haley Barbour**  
Immediate Past Chairman

**Arkansas Gov. Mike Beebe**

**Georgia Gov. Sonny Perdue**

**Oklahoma Gov. Brad Henry**

## *SGA Corporate Affiliates*

SGA is uniquely positioned to create and foster collaboration and original approaches to problem-solving among governors and strategic partners. Through our Corporate Affiliates Program (CAP), SGA brings together the inspiration, innovation and experience of Southern business leaders to exchange ideas, share perspectives and identify new resources and tools for continued regional growth and prosperity. SGA's Web Site provides CAP members with an additional venue for fostering and sharing their regional involvement.

### **Founder Level**

Centene Corporation  
EADS North America  
Northrop Grumman Corporation  
Novo Nordisk, Inc.

### **Platinum Level**

American Electric Power  
Southern Company  
Toyota Motor Sales, U.S.A., Inc.

### **Gold Level**

AGL Resources, Inc.  
Altria Group, Inc.  
AT&T  
Citrix Systems, Inc.  
Daimler AG  
Freddie Mac  
GlaxoSmithKline  
Novartis Pharmaceuticals Corporation  
Pfizer, Inc.  
State Farm

### **Silver Level**

AmeriHealth  
Anheuser-Busch Companies, Inc.  
Apple Inc.  
Chevron Corporation  
Comcast Corporation  
Dominion  
Eastman Chemical Company  
Eli Lilly and Company  
Georgia-Pacific Corporation  
Intuit, Inc.  
JPMorganChase & Co.  
Verizon Communications, Inc.  
Virginia Tourism Corporation  
WalMart Stores, Inc.

### **Bronze Level**

American Petroleum Institute  
Bayer HealthCare  
Boehringer Ingelheim  
Corrections Corporation of America  
Daiichi Sankyo, Inc.  
EDS  
General Motors Corporation  
Goodrich Corporation  
Johnson Controls, Inc.  
Lorillard Tobacco Company  
Maximus  
Motorola, Inc.  
National Rifle Association  
National Rural Electric Cooperative Association  
Perdue Farms  
Sanofi-Aventis U.S. LLC.  
Shell Oil Company  
Solvay Pharmaceuticals, Inc.  
Takeda Pharmaceuticals, North American, Inc.  
Waste Management, Inc.

### **Supporter Level**

Amgen, Inc.  
Arch Coal, Inc.  
Colonial Pipeline Company  
Edison Electric Institute  
Exxon Mobil Corporation  
Golden Living  
International Council of Shopping Centers  
Johnson & Johnson Services, Inc.  
Nuclear Energy Institute  
Pratt & Whitney Rocketdyne, Inc.  
Teva Pharmaceuticals  
UCB, Inc.  
Watson Pharmaceuticals, Inc.

## *SGA Staff*

As SGA's member governors have continued to come together to tackle some of the region's most challenging issues over the years, they have recognized that staff support is a critical component of the organization's short- and long-term performance. To that end, SGA's work is supported by a full contingent of experienced professionals that come with the benefit of a wide variety of experience in state and federal government, as well as the private sector.

**Diane C. Duff**  
Executive Director

**Liz Purdy Porter, CMP, CMM**  
Director of Operations and Conferences

**Jennifer P. Schwartz**  
Director of Federal Policy

**Charlotte S. Cole**  
Director of Communications and Marketing

**Brendan Costigan**  
Program Coordinator

**KiKi Hairston**  
Operations Coordinator

## SOUTHERN GOVERNORS' ASSOCIATION

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