



Policy and Procedure Manual

for the Central Minnesota Workforce Investment Board

“Board participation takes real commitment: A commitment to give of yourself, a commitment to listen, a commitment to action. So often we spend [so much] time judging the contribution of fellow board members that we forget to look at ourselves. We must be positive and believe that the organization will be better because we took the time to ensure that it would be so. Be comfortable with the reasons you joined a board, make a difference, give all that you can, and move on to make space for others!”

*Carolyn Coleman, President, Board of Directors
The Dwelling Place, Gaithersburg, MD*

Policy and Procedure Manual for the Central Minnesota Workforce Investment Board

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FORWARD

Central Minnesota Workforce Investment Board

Mission: *To strengthen Central Minnesota communities through leadership in workforce excellence.*

Over the past decade, the Central Minnesota Workforce Investment Board has matured into a visionary board with impressive leadership and committed directors. During those early years of intense change and transition from a Private Industry Council (PIC) to a Workforce Investment Board (WIB) and the struggles to recruit great talent for the board, many past and present leaders added to the success and growth of the board and its administrative entity, Central Minnesota Jobs & Training Services, Inc., including Commissioners Ken Jude, Mel Dose, Dennis Peterson, Elmer Eichelberg, Rachael Leonard, Les Nielsen, and Ralph Novotny; WIB Chair Trish Taylor, WIB Vice Chairs Elaine Hierlinger and Edna Wolfswinkel, WIB Treasurers Brian O'Donnell and James Vrchota; Labor Union Representative Michael Priem; and board directors Rod Pederson and Darwin Bostic. Each one of these outstanding leaders was influential in steering the ship (the board) out of stormy seas and into quiet harbors. Their dedication to the board is held in high regard and their guidance and support will ever be etched in the history of the WIB's development and accomplishments. The outcome of their labor is the current exceptional pool of talented board directors from diversified sectors and community programs.

The Central Minnesota WIB begins a new chapter in their growth and development. The right leaders are now on board and willing to take the WIB to the next level. The Central Minnesota Joint Powers Board (JPB) and WIB recognized the importance of this new phase of WIB advancement and assigned a policy and procedure ad hoc committee to develop the **WIB Policy and Procedure Manual** with the purpose of creating a document that would afford the WIB the opportunity to govern itself, while providing directors with a practical knowledge of the nonprofit organization and the state and federal laws that govern the board. The vision of the JPB and WIB is that the leadership of the board continues to perfect the policy manual for future board directors, govern itself with integrity, and persist in *strengthening Central Minnesota communities through leadership in workforce excellence.*

In conclusion, the Central Minnesota JPB and WIB wish to acknowledge the following individuals for their contribution of time, talent, and review of this document:

Commissioner Dennis Peterson

Trish Taylor

Commissioner Elmer Eichelberg

Elaine Hierlinger

John Forbes

Brian O'Donnell

INTRODUCTION

Legal Duties of the Nonprofit Board and Its Directors

It all started hundreds of years ago, when out of the common law of England evolved the concept of legal entities separate from human beings. That is, the law eventually accepted the idea that a *person* can be an entity other than just an individual. Today, we know these persons as corporations, associations, partnerships, limited liability companies, estates, and the like.

In the beginning was the *trust*; next came the *charitable trusts*. The contemporary law as to the responsibilities of directors of nonprofit organizations is directly traceable to the common-law rules for administrators of charitable trusts. Directors are *fiduciaries* of the organization's resources and guardians of its mission. In certain circumstances, responsibility traces back to the individual director, who can be held liable for some actions in the organization and may have to pay the penalties.

Directors as Fiduciaries

Trustees of charitable trusts are deemed to have the same obligation toward the assets of the trusts as they do toward their personal assets. Equally, all directors' responsibility is to act prudently in their handling of the nonprofit organization's resources. The trustees are fiduciaries; the law imposes on them standards of fiduciary responsibility on directors of nonprofit organizations, whether or not the organizations are trusts, and often whether or not they are charitable. **Thus, personal liability can result when a director, trustee, officer, and/or key employee of a nonprofit organization breaches the standards of fiduciary responsibility.**

One of the main responsibilities of directors is to maintain financial accountability and effective oversight of the organization they serve. Directors act as trustees of the organization's assets and must exercise due diligence to see that the organization is well managed and that its financial situation remains sound. Fiduciary duty requires directors to stay objective, unselfish, responsible, honest, trustworthy, and efficient. **Directors, as stewards of public trust, must always act for the good of the organization, rather than for their personal benefit.** They need to exercise reasonable care in all decision making, without placing the organization under unnecessary risk.

Collective and Shared Responsibilities

The distinction of legal liability between the board and an individual director relates to the responsibility of *the board* for the organization and responsibility of *individual*

directors for their own actions. The board as a collective entity is responsible and liable for what happens in and to the organization. As the ultimate authority, it must ensure that the organization is operating in compliance with the law and its own policies. If legal action ensues, it can often be traced to an inattentive, passive, or even captive board. As government regulators grow more aggressive in demanding higher levels of accountability, boards must become correspondingly more vigilant and active in establishing and implementing sound policies.

In turn, the board's shared legal responsibilities depend upon the actions of individuals. Each director is liable for his/her own acts and deeds, particularly if they are alleged to be civil or even criminal offenses. In practice, this requires directors to hold each other accountable.

It is important to remember, however, that individual directors have responsibilities but not personal authority over the organization. Since directors have no individual authority to make organizational decisions, the board collectively is responsible for

- developing and maintaining the organization's mission
- maintaining the organization's tax-exempt status and (if applicable) its ability to attract charitable contributions
- protecting the organization's resources and approving budget
- supporting any fundraising that the organization undertakes

The Three Ds

The duties of the board of directors of a nonprofit organization can be encapsulated in the *three Ds*: duty of care, duty of loyalty, and duty of obedience. Defined by case law, these are the legal standards against which all actions taken by directors are held. They are collective duties adhering to the entire board and require the active participation of all directors. Accountability can be demonstrated by showing the effective discharge of these duties.

DUTY OF CARE

The duty of care requires that directors of a nonprofit organization be reasonably **informed** about the organization's activities, **participate** in decisions, and do so in good faith and with the care of an ordinarily **prudent person** in similar circumstances. In short, the duty of care requires the board — and individual directors — to pay attention to the organization's activities and operations. The duty of care is carried out by the following acts:

- attendance at meetings of the board and appropriate committees
- advance preparation for board meetings, such as reviewing reports and the agenda prior to meetings of the board
- obtaining information, before voting, to make good decisions

- use of independent judgment
- periodic examination of the performance of those who serve the organization
- frequent review of the organization's finances and financial policies
- compliance with filing requirements, particularly annual information returns

DUTY OF LOYALTY

The duty of loyalty requires directors to exercise their power **in interest of the organization** and not in their own interest or the interest of another entity, particularly one in which they have a formal relationship. When acting on behalf of the organization, directors must put the interests of the organization before their personal and professional interests. In practice, the duty of the loyalty is carried out by the following acts:

- disclosure of any conflicts of interest
- adherence to the organization's conflict of interest policy
- avoidance of the use of corporate opportunities for the individual's personal gain or benefit
- nondisclosure of confidential information about the organization
- adherence to the code of conduct policy

While conflicts of interest are not inherently illegal — in fact, they are quite common because directors are often affiliated with many different entities in the communities — how the board handles them is important. *Conflict of interest policies* can help protect the organization and directors by establishing a process for disclosure and voting when situations arise in which directors may potentially derive personal or professional benefit from the organization's activities.

DUTY OF OBEDIENCE

The duty of obedience requires that directors of a nonprofit organization **comply with applicable federal, state, and local laws**, adhere to the **organization's bylaws**, and remain the **guardians of the mission**. The duty of obedience is carried out by the following acts:

- compliance with all regulatory and reporting requirements, such as filing the annual information return (usually, IRS Form 990) and paying employment taxes
- examination of all documents governing the organization and its operation, such as the bylaws
- making decisions that fall within the scope of the organization's mission and governing documents

Generally, if a director carries out his/her duties faithfully, and in adherence to the three Ds, the director will not be found personally liable. Unfortunately, however, individual responsibility and the responsibility of the board, as a whole, overlap. The demarcation

can often be indistinct and, in legal action under certain circumstances, an individual director may end up paying the penalties.

Questions the Board Should Ask

- Does the board regularly have a quorum at board meetings?
- What do our bylaws say about missing meetings?
- Do directors regularly receive and read information in advance of board meetings?
- Can every director recite our mission statement without any reminders?
- Has every director visited the organization's office and been introduced to the staff?
- If your organization has a website, does every director know what is posted there and periodically visit the site?

THE BASIC ROLES AND RESPONSIBILITIES OF NONPROFIT BOARDS

1. Determine the organization's mission and purpose.
2. Select the chief executive.
3. Support the chief executive and assess his or her performance.
4. Ensure effective organizational planning.
5. Ensure adequate resources.
6. Manage resources effectively.
7. Determine, monitor, and strengthen the organization's program and services.
8. Enhance the organization's public image.
9. Ensure legal and ethical behavior and maintain accountability.
10. Recruit and orient new directors and assess board performance.

See Appendix A: Good Governance in Meeting the Duties of Directors of Nonprofits

LEGAL RESPONSIBILITIES OF THE BOARD

The board is ultimately responsible for the performance of the organization in all areas of its work. (The following is neither intended nor to be construed as legal advice.)

As a nonprofit, directors need to ensure that the organization is in compliance with state and federal laws. The following is a checklist to help directors remember some of the tasks that are required.

- File Form 990 with the IRS and the Minnesota State Attorney General's Office, Charities Division on an annual basis as legally required.
- Have an audit completed if total organizational revenue exceeds \$300,000 in a year; file with the charities division of the State Attorney General's Office.
- Report change of name, address, or amendments to the Articles of Incorporation to the Secretary of State and pay fee for such changes.
- Make Form 990 available to the public.
- Report any Unrelated Business Income (UBI) to the State Department of Revenue and the IRS, and send tax payments with Form 990T.
- Withhold taxes from employees, and send withholding payments to the IRS and Minnesota Department of Revenue.
- Comply with laws that affect all employers including: ADA, OSHA, FLSA, FICA, COBRA, and Family Medical Leave Act.
- Report any lobbying activities on Form 990, and register as a lobbyist if required by the Minnesota Ethical Practices Board. (CMJTS and the Central Minnesota WIB do not lobby.)
- Give receipts to donors for contributions above \$250.
- Collect sales tax on items sold by your organization, unless you are selling tickets to performances as a performing arts organization.
- Comply with the terms of donations; promises made to donors are legally binding.
- Funds given for specific projects or programs need to be kept separate.
- Comply with Minnesota state law regarding conflicts of interest.
- Make sure any professional fundraisers register with the State Attorney General's Office, Charities Division; file copy of contract.
- Obtain city permits for all cities in which the organization actively solicits door-to-door by paid solicitors.
- Record minutes of board and annual meetings.

Nonprofit Board Q & A

Q: Is a nonprofit board required to have directors?

A: Yes, most nonprofits are corporations, which mean they are legal entities distinct from the individuals who founded them. Like their for-profit counterparts, nonprofit corporations are governed by a board of directors with legal and ethical responsibilities that cannot be delegated. Even organizations operating with few or no staff are required to have a board of directors in place.

Q: How big should the nonprofit board be and how often should they meet?

A. Board sizes can vary from three to more than 50 directors. A 1996 NCNB (National Council of Nonprofit Boards) survey reported that the size of nonprofit boards average 19 directors. The minimum number of directors a Minnesota nonprofit must have is three. Each state has regulations that determine the minimum size of the board, but the optimum number of people who sit on the board should be determined by the needs of the organization. The survey also reported having meetings between nine and 12 times each year. As with the size of your board, the number of board meetings each year should be determined by the work that needs to be accomplished.

Under the Workforce Investment Act of 1998, the WIB must schedule a meeting a minimum of once per year and have a majority membership of private industry leaders. Federal law also dictates what additional directors are placed on the WIB.

Q: Can directors be paid?

A: Yes, as long as the organization's bylaws allow compensation of directors. Most often, bylaws will restrict payment to directors to reasonable reimbursements.

The CMJTS, Inc. Bylaws allow compensation of its directors, including per diems and travel expense reimbursement as funding permits.

Q: Can directors be held personally liable for the actions or debts of the corporation?

A: Yes. Directors can avoid personal liability in an incorporated organization as long as they continue to act in the best interests of the organization. Purchasing D & O insurance can further protect the assets of directors and volunteers.

CMJTS and its board of directors require the purchase of D & O Insurance.

Q: Why purchase Directors & Officers (D&O) Insurance? Doesn't General Liability Insurance cover the board of directors?

A: General Liability insurance provides coverage for "negligent" acts. If an organization, its employees or volunteers (including directors) negligently cause someone "bodily injury, personal injury or property damage" General Liability insurance typically provides coverage. (See CMJTS D & O Insurance in Part II: Ethics and Accountability.)

Q: How long should an organization keep board meeting minutes?

A: CMJTS requires board meeting minutes to be kept and available until the dissolution of the organization.

Q: Can a staff person serve on the board?

A: There is no law prohibiting staff from serving on a nonprofit board. However, under the Workforce Investment Act of 1998, the law is specific to what directors may reside on the WIB. In addition, the CMJTS, Inc. Bylaws appoint the chief executive as an ex officio member to the board of directors.

Q: What is the term limit for board membership?

A: Term limits for board membership should be specified in the organization's bylaws. The normal statutory limit for a board term is normally 10 years. (See Term Limits Defined below.)

Article VII, Section C of the CMJTS, Inc. Bylaws states: "Directors may be re-elected to any office for as many terms as they are members of the WIB."

Term Limits Defined:

A **term limit** is a legal restriction that limits the number of terms a person may serve in a particular elected office. There are different types of term limits. Sometimes, there is an absolute limit on the number of terms a person can serve, while, in other cases, the restrictions are merely on the number of *consecutive* terms a person can serve.

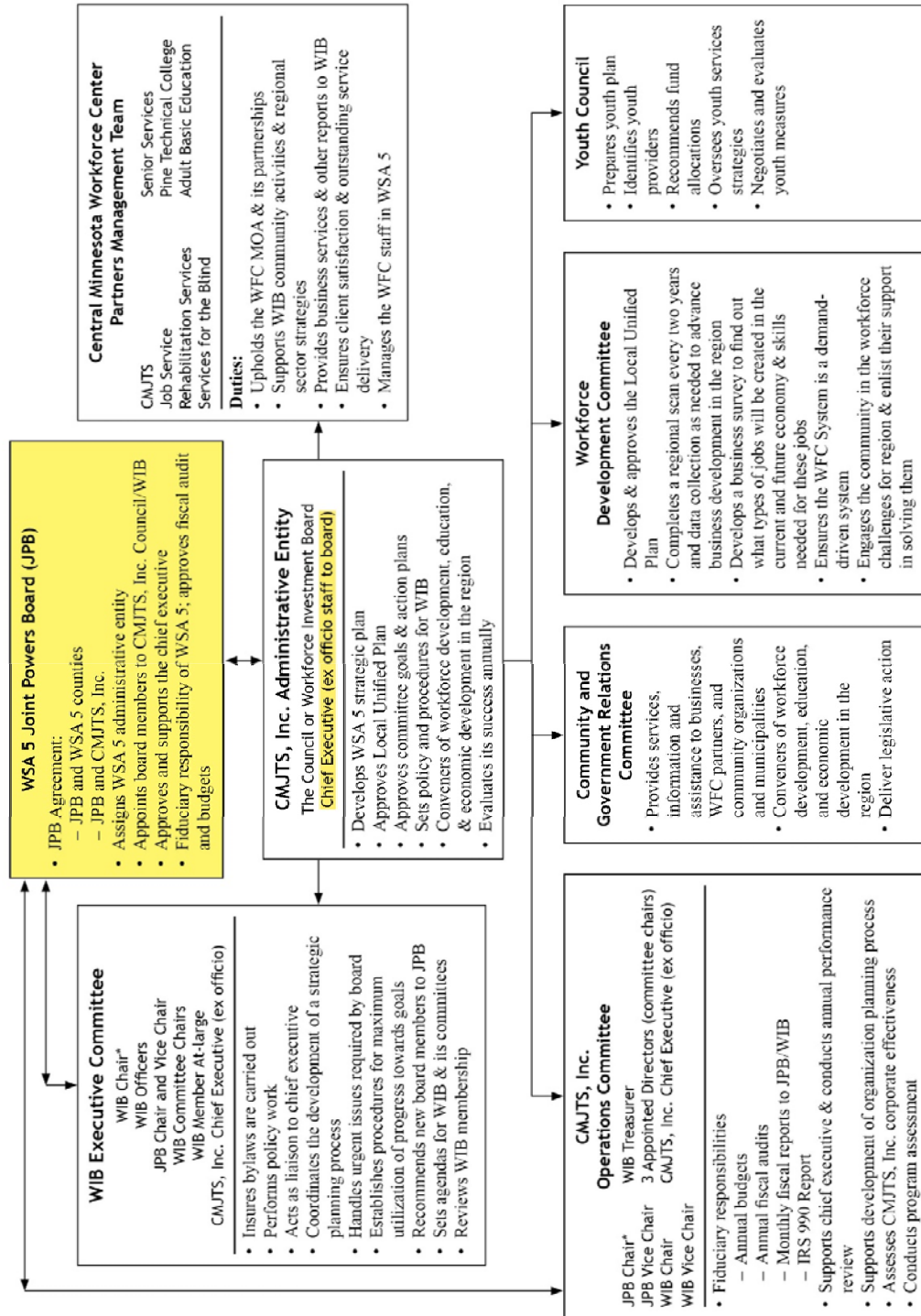
See Appendix C: CMJTS, Inc. Bylaws

See Appendix G: Workforce Investment Act of 1998

CMJTS, INC.

GOVERNANCE ORGANIZATION CHART

Central Minnesota Jobs and Training Services, Inc. Governance Organization Chart



ARTICLES OF INCORPORATION

Most nonprofit organizations are legally organized as corporations. By going through the incorporation process, which involves meeting a number of legal requirements and submitting articles of incorporation to a state government, a group of individuals who work together for a specific purpose can create a corporation. The resulting legal entity is separate from the individuals forming it. A corporation has powers (such as the ability to enter into contracts, borrow money, and pay taxes) and liabilities that are ordinarily distinct from those of its incorporators, officers, directors, and/or members. The corporate form can also help limit the personal liability of directors.

The articles of incorporation are filed with the appropriate state office (in Minnesota it is the Secretary of State) to establish a nonprofit corporation. They typically include the new organization's full legal name; a general statement of purpose, which must comply with federal tax laws if the entity is to be tax exempt; a provision for the disposition of assets if the organization is dissolved; and the names and addresses of the initial board of directors. One or more incorporators sign the articles before they are filed.

Although the laws of many states permit some rules for the governance of the corporation to be set out in either the articles or the bylaws, **the articles of incorporation should be as general as possible and should contain only the minimum that is required by state law. The goal is to have a general and flexible document that will not need to be amended, since any changes to the articles of incorporation require filing special paperwork with the state and paying a filing fee.** Appropriate provisions regarding the organization's tax-exempt purposes, limiting the corporation's activities, and specifying how assets are distributed upon dissolution must appear in the articles and must be followed if the organization is to have the right to qualify for and maintain a federal income tax exemption. This is especially true for charitable organization that desire to be exempt from tax under section 501(c)(3) of the Internal Revenue Code.

NOTE

State Corporate Law: The highest authority governing nonprofit organizational documents is the state corporation act (or in some states, the nonprofit corporations act). Neither the articles of incorporation nor the bylaws may violate any provision of state corporate law. If they do, any provision in violation of such law is void.

See Appendix B: Articles of Incorporation

BYLAWS

The bylaws, which are more easily revised and amended than the articles of incorporation, and which do not need to be filed with the state, should deal with more specific issues regarding corporate structure and governance. **The bylaws are subordinate to the articles of incorporation; if there is a conflict, the articles always prevail.** Therefore, it is important that those operating nonprofit organizations ensure they are familiar with the contents of the articles of incorporation so that the articles of incorporation and bylaws are never inconsistent. In addition, both the articles and the bylaws must be consistent with state corporate laws (or federal laws that govern the Workforce Investment Act).

Effective bylaws should comply with state law and the articles of incorporation so that actions of the organization are legally defensible. At the same time, to be useful, bylaws should also provide a clearly written, consistent statement of rules that the board can understand and that are reasonable to implement, rather than restrictive.

Bylaws that are viewed by the nonprofit community as reasonably written and administered are valuable resources, capable of promoting sound decisions whatever the circumstances may be. In addition, as one part of a coordinated approach, including a strategic plan, oversight of operations, continuous assessment of opportunities and challenges, and the range of talents of board directors, the bylaws contribute to the long-term institutional strength of the nonprofit.

The bylaws should be a living document—to be used, reviewed, and revised as necessary. The original bylaws should be drafted in clear terms, and the drafters should carefully consider their decisions concerning procedures and provisions. The organization should provide for regular bylaws review, such as establishing a bylaws task force for this purpose, to make recommendations to the full board concerning revisions.

Finally, although bylaws are not normally required to be made public, many nonprofit organizations are proud of the well-drafted governance policies and procedures in their bylaws and publish the bylaws as part of their annual report or place them on their websites for community viewing.

NOTE

The CMJTS, Inc. Bylaws support the Joint Powers Board Agreement and the Workforce Investment Act as it pertains to the appointment of board of directors under law. Changing the structure of the Workforce Investment Board is prohibited by statute and would inadvertently change the Minnesota grandparent status set in place during the transition from a private industry workforce council to the current status of a workforce investment board.

See Appendix C: CMJTS, Inc. Bylaws

JOINT POWERS BOARD AGREEMENTS

Joint Powers Board Agreement — between counties

The Central Minnesota Workforce Center System Joint Powers Board Agreement is a contract designed under the Workforce Investment Act, made and entered into, by and between the Board of County Commissioners of the following counties of the state of Minnesota: Chisago, Isanti, Kanabec, Kandiyohi, McLeod, Meeker, Mille Lacs, Pine, Renville, Sherburne, and Wright.

The Joint Powers Board (JPB) Agreement determines the borders of Workforce Service Area 5 (WSA 5) and its 11 county regions. WSA 5 is one of 16 workforce service areas in the State of Minnesota and includes Regions 7E, 7W, and 6E.

The JPB Agreement is signed every two years (on the even numbered year) by the 11 county commissioner boards. Each county currently has five commissioners, with a total of 55 county commissioners approving the contracted partnership and preserving WSA 5's boundaries.

In 1984, Central Minnesota Jobs & Training Services, Inc. (CMJTS), the administrative entity, and the JPB entered into this special contractual partnership. In 2009, these two entities celebrated their 25th Anniversary together as a workforce service area.

Joint Powers Board Agreement — between CMJTS, Inc. and the JPB

The Workforce Service Area 5 (WSA 5), CMJTS, and JPB Agreement is a mandated agreement under Section 117 of the Workforce Investment Act of 1998 (WIA), which requires that an effective job training program partnership be established between business and local government necessitating that in each WSA of each state, a workforce investment board be established to work in partnership with the chief elected officials.

In WSA 5, the JPB appointed CMJTS as the grant recipient and administrative entity over job training programs and Title I programs under WIA and delegates functions and responsibilities to its board of directors and chief executive in accordance with the terms and conditions established by the agreement.

See Appendix D: Joint Powers Board Agreement (between counties)

See Appendix E: Joint Powers Board Agreement (between CMJTS, Inc. and the JPB)

See Appendix F: WIA Title I-B Workforce Service Areas in Minnesota

WORKFORCE INVESTMENT BOARD POLICY AND PROCEDURE MANUAL

There are two keys to successful boards:

- getting the best people as members of the board of directors
- making sure that there is clarity about what the board is supposed to do and policies on how to carry out its duties

Too many boards tend to be either “rubber stamps” that dutifully follow the lead of the organization’s chief executive or board chair, or “micro managers” who get too caught up in the day-to-day operations of the organization and can’t delegate to those responsible for making things happen.

The Workforce Investment Board’s (WIB) Policy and Procedure Manual is a living document developed and designed to support and strengthen the knowledge and leadership of the CMJTS, Inc. board of directors (or the WIB). Revisions may be made to the manual on an annual basis, if needed, by board approval.

The WIB Policy and Procedure Manual is not intended to supersede the CMJTS, Inc. Bylaws or its Articles of Incorporation, but is designed to support CMJTS, Inc. and its board of directors and be utilized as a guide for successful nonprofit board governance.

WORKFORCE INVESTMENT ACT OF 1998

On August 7, 1998, the Workforce Investment Act was signed into law by President Clinton and represents the first major reform and restructuring of the nation's federal job training programs in 15 years.

The purpose of the legislation is to enable each state and locality to develop a unified training system that will *“increase the employment, retention, and earnings by participants, and as a result improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the nation.”*

The Act is built around five key principles:

- Streamline services in a one-stop environment that gives all jobseekers a “no wrong door approach” to job training.
- Empower jobseekers to choose training through the use of vouchers (Individual Training Accounts) and a “consumer report” containing performance information on training providers.
- Provide universal access to the workforce development system.
- Strengthen accountability through strict performance measures including placement rates, earnings and retention and through a system of continuous improvement.
- Ensure a strong leadership role for business through business-led boards with real authority to plan, oversee, and change the workforce system at the state and local levels.

The Workforce Investment Act is only the framework for creating a world-class workforce development system. The success of the system depends on the following:

- Private sector involvement in and use of the system,
- Collaboration among the various agencies and partners who must work together toward the common goal of helping individuals find steady, self-sustaining employment, and
- A dedicated, competent, professional staff at all levels of the system.

The structure of the Workforce Investment Act is divided into 5 “titles,” each of which addresses major aspects of the system:

Title I: Creates the overall structure of the new system including state and local workforce boards, one-stop career centers, and Youth Councils. It specifies allowable activities and procedures for measuring performance. It replaces the Job Training Partnership Act (JTPA) and other programs.

Title II: Amends existing adult education and literacy legislation and aligns these services with WIA.

- Title III:** Amends the Wagner-Peyser (Employment Service) Act to align its provisions with WIA.
- Title IV:** Amends the federal Rehabilitation Act and aligns services for the disabled with WIA.
- Title V:** Provides for the transition to the Act and allows states to consolidate two or more federal workforce-related programs through a state unified plan.

See Appendix G: Workforce Investment Act of 1998

MISSION, VISION, VALUES

Mission

To provide leadership that integrates workforce, education and economic resources for our region.

Vision

To provide a workforce that improves the quality of life in our communities.

Values

The Central Minnesota Workforce Investment Board values:

People

- Treats customers as valued individuals of the community and provides them with quality services that meet and exceed their needs: employers, employees, jobseekers, underemployed and unemployed.
- Respects individuals, employers and partners and value diversity of opinion.
- Models trust, integrity and courtesy.

Process

- Uses data to make timely, ethical, educated decisions.
- Is responsible to community needs and customer satisfaction.
- Follows through on commitments.

Performance and Service

- Provides quality environments of services: privacy, accessible, professional, reasonable and timely delivery of services.
- Assures Workforce Service Area 5 is fiscally responsible.
- Highly regards employer relationships.
- Initiates consistent and fair quality customer service.

WORKFORCE INVESTMENT BOARD DIRECTOR CODE OF ETHICS

As a director of the Central Minnesota Workforce Investment Board (WIB), I understand and agree that I am responsible, collectively with my fellow directors, for ensuring effective governance of fiscally sound programs as well as strategic direction of the organization. To that end, I understand my responsibilities require me to

- Support, promote, and protect the Central Minnesota Joint Powers Board Agreement the board bylaws, the Articles of Incorporation, and all CMJTS governance.
- Understand and ensure that the board reaches its mission, vision and goals.
- Understand the values of the board and use them in my decision making.
- Attend all regular and special board meetings and actively participate in proceedings.
- Come prepared to meetings. Thoroughly review all WIB and committee meeting materials prior to the meetings.
- Serve on at least one committee. Attend all regular committee meetings and actively participate in the proceedings.
- Be accessible, at least by phone or e-mail, to the chief executive and other directors as needed.
- Participate in director orientation.
- Agree to serve the interests of the organization, not my own personal interests or causes.
- Attend as many organization events as possible.
- Share resources and talents with the organization, including expertise and community contacts.
- Serve as an advocate for the organization within my circles of influence — personal, business, faith, civic, etc.
- Fulfill commitments within agreed-upon deadlines.
- Maintain and promote high ethical standards including good-faith board decision making and avoiding an actual or perceived conflict of interest with other activities, interests, and/or organizations with which I may be involved.
- Maintain the confidentiality of the private information of the organization, staff, clients, and other directors.
- Understand and review the Central Minnesota WIB Policy and Procedure Manual, CMJTS, Inc. Bylaws, and JPB Agreement. Contact the chief executive if I have any questions.
- Be fiscally responsible for the organization by being familiar with and approving CMJTS' and the board's budget.
- Communicate effectively and respect the diverse opinions of others.

- Agree to immediately contact the board chair and chief executive with any board-related concerns.
- Agree that in the event, for whatever reason, you can no longer fulfill your duties and responsibilities as a director of the WIB, you will immediately notify the board chair and chief executive and make arrangements to transfer any outstanding responsibilities to other directors of the board.

NOTE

On an annual basis, all directors are required to review and sign the Workforce Investment Board's Code of Ethics.

CONFLICT OF INTEREST

This detailed policy recognizes the potential of structural conflicts, defines the situations with clarity, outlines the entire board process, and includes an annual disclosure form.

Policy Statement

Each director of the board has a duty of loyalty to Central Minnesota Jobs & Training Services, Inc. (CMJTS) and its board of directors. In furtherance of this duty, it is the policy of CMJTS that directors may not use their position as directors for personal, family, or professional gain. Directors may not obtain for themselves, their relatives, or their friends a financial or material interest of any kind from their connection with CMJTS. Each director has a duty to give undivided allegiance to CMJTS when making decisions affecting CMJTS and in any transactions, dealings, or situations involving CMJTS. In furtherance of these obligations, CMJTS and its board of directors have adopted this Conflict-of-Interest Policy and Procedures applicable to its directors.

Categories of Conflicts of Interest

Conflict-of-Interest Transactions

A conflict of interest with respect to a transaction effected or proposed to be effected by the organization means the interest a director has respecting such transaction, if

- The director knows that he/she or a related person is a party to the transaction or has a beneficial financial or personal interest in or is so closely linked to the transaction and it is of such financial or personal significance to the director or a related person that the interest would reasonably be expected to exert an influence on the director's judgment if he/she were called upon to vote on the transaction; or
- The director knows that any of the following persons is either a party to the transaction or has a financial or personal interest in or is so closely linked to the transaction and it is of such financial or personal significance to the person that the interest would reasonably be expected to exert an influence on the director's judgment if he/she were called upon to vote on the transaction:
 - An entity of which the director is a director, officer, partner, equity owner, agent, or employee;
 - A person that controls, is controlled by, or is under common control with, one or more of the entities described in subsection (Examples of Situation); or
 - An individual who is a partner, principal, employer, employee, personal friend, business associate, or a significant creditor or debtor of the director.

For purposes of this Policy, a “related person” of a director means : 1) the spouse of the director, or a parent or sibling thereof, or a child, grandchild, sibling, or parent of the director, or the spouse of any thereof, or an individual having the same home as the director, or a trust or estate of which an individual specified in this paragraph is a substantial beneficiary, or 2) a trust, estate, incompetent, conservatee, or minor of which the director is a fiduciary.

Examples of Situations

These examples of situations in which conflicts of interest may arise include, but are not limited to, the following:

- Transactions with persons and organizations supplying goods and commercial services to CMJTS
- Transactions with persons and organizations from which CMJTS leases property and equipment
- Transactions with persons and organizations with whom CMJTS is dealing or planning to deal in connection with the gift, purchase, or sale of real estate, securities, or other property
- Transactions with persons representing competing or collaborating organizations
- Transactions with donors and others supporting CMJTS
- Transactions with persons representing agencies, organizations, and associations that affect the operations of CMJTS
- Transactions with organizations or individuals receiving grants from CMJTS

Conflict of Interest Relationships

The board of directors recognizes that conflicts of interest may arise not only in the context of a transaction but also in situations where a director’s personal interests, or the interests of a related person, personal friend, business associate, an entity in which a director holds an equity interest, employer, employee, or a significant creditor or debtor of the director, could reasonably be expected to exert an influence on the director’s judgment regarding general CMJTS/WIB matters and/or impair his or her ability to act in the board’s best interests.

It is important to note that a “conflict of interest” exists if a decision could be influenced (i.e., perceived conflict of interest) — it is not necessary that influence actually takes place.

Structural Conflicts of Interest

Because of an actual, potential, or perceived “structural” conflict of interest, directors may not sit concurrently on the boards of other Workforce Service Area WIBs or councils, unless approved by the Joint Powers Board.

Procedures for Identifying and Addressing Conflicts of Interest

The following procedures shall be followed when a conflict of interest arises with respect to any director:

1. The director must promptly make full disclosure of the conflict of interest to the WIB chair or board officer (qualified directors) of the board. The director must disclose (a) the existence and nature of the director's conflict of interest and (b) all facts known to him/her regarding the subject matter of the transaction or situation that an ordinarily prudent person would reasonably believe to be material to a judgment about whether or not to proceed with the transaction or how to deal with the situation.
2. For purposes of this policy, a "qualified director" means the WIB chair or a board officer who does not have either (a) a conflict of interest with respect to the transaction or situation, or (b) a familial, financial, professional, or employment relationship with a second director who does have a conflict of interest with respect to the transaction or situation, which relationship would, in the circumstances, reasonably be expected to exert an influence on the first director's judgment when voting on the transaction or situation.
3. The qualified directors will discuss the conflict of interest and, depending on the nature of the conflict of interest, vote on either (a) whether or not to continue the transaction at issue or (b) measures to address the situation at issue. Directors subject to a conflict of interest shall not be permitted to be present or to participate in the deliberations or vote of the qualified directors with respect to such conflict of interest. Recusal of the director shall require such director to physically remove him/herself from a meeting, conference call, e-mail, or any other electric communications.
4. The conflict of interest transaction or situation shall be approved only upon the affirmative vote of a majority of those qualified directors on the board or on a duly empowered executive committee of the board (who voted on the transaction after required disclosure to them); provided, that action by a committee is effective only if (a) all committee members are qualified directors, and (b) committee members are either all the qualified directors on the board or are appointed by the affirmative vote of a majority of the qualified directors on the board. A majority of all the qualified directors on the board, or on the committee, constitutes a quorum for purposes of the vote described above.
5. When a conflict exists, resolution of the matter may include (a) approving or disapproving any transaction or situation at issue; (b) requiring the director to remove him/herself from positions in which the conflict of interest exists until there is no longer a conflict; or (c) requiring the director to discontinue, reduce, or modify his or her participation in the board, committees, or task forces where the conflict exists.

6. In addition to the procedures described above, directors have an obligation to address any perceived conflict of interest of other directors if they are aware of such conflicts with respect to matters pertaining to CMJTS and the WIB.

Acknowledgment and Annual Disclosure

Directors will receive a Conflict of Interest Disclosure Form and will be required to sign and date the form at the beginning of their term of service. **Directors will also be required to update and sign the disclosure form at the beginning of each fiscal year.** Failure to update or sign this form, however, does not nullify a director's obligations under this policy.

See Appendix H: Conflict of Interest Disclosure Form

CONFIDENTIALITY

It is the policy of the Central Minnesota Workforce Investment Board (WIB) that board directors and employees of CMJTS may not disclose, divulge, or make accessible confidential information belonging to, or obtained through their affiliation with the WIB to any person, including relatives, friends, and business and professional associates, other than to persons who have a legitimate need for such information and to whom the WIB has authorized disclosure. Board directors and employees shall use confidential information solely for the purpose of performing services as a board director or employee for CMJTS. This policy is not intended to prevent disclosure where disclosure is required by law.

Board directors and employees must exercise good judgment and care at all times to avoid unauthorized or improper disclosures of confidential information. Conversations in public places, such as restaurants, elevators, and airplanes, should be limited to matters that do not pertain to information of a sensitive or confidential nature. In addition, board directors and employees should be sensitive to the risk of inadvertent disclosure and should, for example, refrain from leaving confidential information on desks or otherwise in plain view and refrain from the use of speakerphones to discuss confidential information if the conversation could be heard by unauthorized persons.

At the end of a board director's term in office or upon the termination of an employee's employment, he/she shall return, at the request of the WIB, all documents, papers, and other materials, regardless of medium, that may contain or be derived from confidential information in his or her possession.

RECORD RETENTION AND DOCUMENT DESTRUCTION POLICY

The Central Minnesota Workforce Investment Board (WIB) takes seriously its obligations to preserve information relating to litigation, audits, and investigations. The Sarbanes-Oxley Act makes it a crime to alter, cover up, falsify, or destroy any document to prevent its use in an official proceeding. Failure on the part of board directors to follow this policy can result in possible civil and criminal sanctions against the WIB and its directors and possible disciplinary action against responsible individuals (up to and including termination of membership). Each board director has an obligation to contact the chief executive or financial officer of a potential or actual litigation, external audit, investigation, or similar proceeding involving the WIB. The information listed in the retention schedule below is intended as a guideline and may not contain all the records the WIB may be required to keep in the future. Questions regarding the retention of documents not listed in this chart should be directed to the chief executive.

From time to time, the chief executive may issue a notice, known as a “legal hold,” suspending the destruction of records due to pending, threatened, or otherwise reasonably foreseeable litigation, audits, government investigations, or similar proceedings. No records specified in any legal hold may be destroyed, even if the scheduled destruction date has passed, until the legal hold is withdrawn in writing by the chief executive.

File Category	Item	Retention Period
Corporate Records	Bylaws and Articles of Incorporation	Permanent
	Corporate resolutions	Permanent
	Board and committee meeting agendas and minutes	Permanent
	Conflict-of-interest disclosure forms	4 years
Finance and Administration	Financial statements (audited)	Permanent
	Auditor management letters	Permanent
	Payroll records	Permanent
	Journal entries	7 years
	Check register and checks	7 years
	Bank deposits and statements	7 years
	Charitable organizations registration statements (filed with [State] Attorney General)	7 years
	Chart of accounts	Permanent
	Expense reports	7 years
	General ledgers and journals (includes bank reconciliations, fund accounting by month, payouts)	7 years

File Category	Item	Retention Period
	allocation, securities lending, single fund allocation, trust statements)	
	Accounts payable ledger	7 years
	Investment performance reports	7 years
	Investment consultant reports	7 years
	Investment manager correspondence	7 years
	Equipment files and maintenance records	7 years after disposition
	Contracts and agreements	7 years after all obligations end
	Investment manager contracts	7 years after all obligations end
	Correspondence — general	3 years
Insurance Records	Policies — occurrence type	3 years after expiration
	Policies — claims-made type	3 years after expiration
	Accident reports	7 years
	Fire inspection reports	7 years
	Safety (OSHA) reports	7 years
	Claims (after settlement)	7 years
	Group disability records	7 years after end of benefits
Real Estate	Deeds	Permanent
	Leases (expired)	7 years after all obligations end
	Mortgages, security agreements	7 years after all obligations end
	Purchase agreements	7 years after disposition requirement
Tax	IRS exemption determination and related correspondence	Permanent
	IRS Form 990s	Permanent
	Withholding tax statements	7 years
	Correspondence with legal counsel or accountants, not otherwise listed	7 years after return is filed
	Timecards	7 years
Communications	One set of all communication documents kept on-site and one set kept off-site	
	Press releases	Permanent
	Annual reports	Permanent (5 copies)
	Other publications	7 years
	Photos	7 years
	Press clippings	7 years

Grant Services	Fund agreements (paper and digital copies)	Permanent
	Correspondence — acknowledgment of gifts and grant requests	Permanent
	Donor fund statements	Permanent
Consulting Services	Consulting contracts/filed	7 years after all obligations end
Human Resources	Employee personnel files	7 years after terminated
	Retirement plan benefits (plan descriptions, plan documents)	Permanent
	Employee medical records	30 years
	Employee handbooks	Permanent
	Workers comp claims (after settlement)	30 years
	Employee orientation and training materials	7 years after use ends
	Employment offer letter	7 years
	Employment applications	3 years
	IRS Form I-9 (store separate from personnel file)	Greater of 1 year after end of service, or 3 years after hire
	Affirmative Action Plan	2 years
	Affirmative Action – Disputed Issues	7 years after termination
Résumés	1 year	
Technology	Software licenses and support agreements	7 years after all obligations end
General Administration	Correspondence — chief executive and general	7 years
	Appointment calendars — chief executive	7 years

Retention Schedule downloaded from IRS

SARBANES-OXLEY ACT: CHECKLIST OF ACCOUNTABILITY

The Sarbanes-Oxley Act was signed into law on July 30, 2002. Passed in response to the corporate and accounting scandals of Enron, Tyco, and others of 2001 and 2002, the law's purpose is to rebuild public trust in America's corporate sector. The law requires that publicly traded companies adhere to significant new governance standards that broaden board directors' roles overseeing financial transactions and auditing procedures.

While nearly all of the provisions of the Act apply only to publicly traded corporations, the passage of the bill served as a wake-up call to the entire nonprofit community. Indeed, several state legislatures have already passed or are considering legislation containing elements of the Sarbanes-Oxley Act to be applied to nonprofit organizations. In many instances, nonprofit organizations have adopted policies and altered governance practices in response to the Act.

Nonprofit leaders should look carefully at the provisions of Sarbanes-Oxley, as well as their state laws, and determine whether their organizations ought to voluntarily adopt governance best practices, even if not mandated by law. This report will review those provisions and assess their relevance to nonprofit organizations.

Finally, it is important to note that two provisions of Sarbanes-Oxley apply to all entities, including nonprofit organizations. This report will also review those features of the Act that require immediate nonprofit compliance.

Main Provisions of the Sarbanes-Oxley Act

With two notable exceptions, the Sarbanes-Oxley Act affects only American publicly traded companies and regulates what boards must do to ensure auditors' independence from their clients. The Act also creates and defines the role of the Public Company Accounting Oversight Board, an entity empowered to enforce standards for audits of public companies. The Act explains processes for electing competent audit committee members and for ensuring that adequate reporting procedures are in place. In addition, it calls for regulations, and closed most of the loopholes, for all enterprises—for-profit and nonprofit—relating to document destruction and whistle-blower protection.

See Appendix I: The Sarbanes-Oxley Act and Implications for Nonprofit Organizations

LIABILITY INSURANCE FOR BOARD OF DIRECTORS AND CHIEF EXECUTIVE

Claims by employees usually are excluded under General Liability so that they cannot sue employers for bodily injury or employment-related claims.

Example of a General Liability claim:

A client trips and breaks a leg because of a faulty stairway at the nonprofit's office.

Coverage for bodily injury claims by employees is provided by Workers' Compensation. Coverage for employment-related claims is typically provided under Directors' and Officers' (D&O) insurance. D&O insurance generally provides nonprofits with coverage for employment related claims.

D&O insurance provides coverage for "intentional" actions taken by an organization's board of directors or management and someone else thinks these actions are wrong. For example, in employment-related cases, the board affirmatively adopts personnel policies that are intentionally carried out by management. These are intentional, willful actions that may result in some type of damage other than bodily injury. For example, an employee is terminated and alleges age discrimination.

Description of Directors' and Officers' Liability Coverage

- Responds to loss on behalf of insured persons for claims made against the insured persons for wrongful acts; to the extent the insured organization doesn't indemnify the insured persons.
- Responds to loss on behalf of insured organization for claims made against the insured persons for wrongful acts; to the extent the insured organization indemnifies the insured persons.
- Responds to loss on behalf of insured organizations for claims made against the insured organization for wrongful acts.

See Appendix J: CMJTS Description of Insurance

See Appendix K: Central Minnesota WIB's Nonprofit Liability Insurance Policy

CONFLICT RESOLUTION PROCEDURE

PURPOSE

To provide a quick, effective and consistently applied method for a board director to present his/her concerns and have those concerns internally resolved.

POLICY

If a director has a complaint about a fellow director, the following expectations will apply:

Board directors are encouraged to go directly to the fellow director and explain their concern and try to work out a viable solution. If the situation remains unresolved, directors are encouraged to discuss the matter with the involved party(s) a second time. A plan of action should be developed to try and resolve the issue.

If the problem persists, the following steps should be taken to resolve the conflict.

PROCEDURE

Step One

1. Board directors should initially request a meeting with the WIB chair and provide information regarding the complaint in writing. This written complaint must be limited to no more than two (2) pages in length and must include:
 - The problem and the date when the incident occurred.
 - Suggestions on ways to resolve the problem.
2. The WIB chair should work with any and all directors involved in the complaint to research the concerns, review board policies, and provide a response in writing to the complainant board director within fifteen (15) business days of the meeting held with the complainant board director. If the WIB chair deems appropriate, it may be necessary to involve the officers of the WIB in this investigation and complaint resolution.

Step Two

If the decision by the WIB chair does not resolve the problem to the mutual satisfaction of the board director, or if the WIB chair does not respond to the complaint, the director may submit a written complaint to the Joint Powers Board (JPB) chair. The submission of the written complaint is due within fifteen (15) working days of the response from the WIB chair or passing of the deadline of response from the WIB chair if no response was received. This written complaint must be limited to no more than two (2) pages in length and must include:

- The problem and the date when the incident occurred.
- Suggestions on ways to resolve the problem.
- A copy of the WIB chair's written response or a summary of his or her verbal response and the date when the director met with the WIB chair OR information stating that no response was provided by the WIB chair.

Step Three

The Joint Powers Board (JPB) chair will review the complaint and any WIB chair response at the next regularly scheduled meeting (quarterly) of the JPB. The JPB chair will work to provide a response in writing to the complaint within fifteen (15) business days of the JPB meeting.

The response of the JPB chair will be considered final and binding.

Step Four

Additional guidance

- If a board director fails to appeal from one level to the next level of this procedure within the time limits listed above, the problem shall be considered settled on the basis of the last decision and the problem submitted by the director shall not be subject to further consideration.
- Because problems are best resolved on an individual basis, the conflict resolution procedure may only be initiated by individual directors and not by groups.
- The Central Minnesota WIB reserves the right to impose appropriate disciplinary action for any conduct it considers to be disruptive or inappropriate. This includes, but is not limited to, failure to follow the appropriate steps outlined above in cases of complaints. The circumstances of each situation may differ and the level of disciplinary action may also vary, depending upon factors such as the nature of the offense, whether it is repeated, and the impact of the conduct on the board.
- No one will be retaliated against for filing a good faith complaint under this procedure.

WHISTLEBLOWER POLICY

A whistleblower, as defined by this policy, is a Central Minnesota Workforce Investment Board (WIB) director or committee member who in good faith reports an activity that he/she reasonably believes to be illegal to one or more parties specified in this policy. The whistleblower is not responsible for investigating the activity or for determining fault or corrective measures. Appropriate board and organization officials are charged with these responsibilities.

Examples of illegal activities are violations of federal, state, or local laws; billing for per diems or mileage that was not earned, leveraging position for special considerations while knowingly breaching the conflict of interest policy, and any fraudulent activities.

If a director (board member) or chief executive has knowledge of or a concern of these activities, the director must contact the WIB chair, Joint Powers Board (JPB) chair or chief executive. The director must exercise sound judgment to avoid baseless allegations. A director who intentionally or recklessly files a false report of wrongdoing will be subject to discipline up to and including removal from the board or committee.

Whistleblower protections are provided in two important areas: confidentiality and retaliation. Insofar as possible, the confidentiality of the whistleblower will be maintained. However, identity may have to be disclosed to conduct a thorough investigation, to comply with the law, and to provide accused individuals their legal rights to defense. The Central Minnesota WIB will not retaliate against a whistleblower. This includes, but is not limited to, protection from retaliation in the form of an adverse action such as removal from the board or committee, decrease or elimination of per diem and mileage reimbursement, demotion of an office, and threats of harm. Any whistleblower who believes he/she is being retaliated against must immediately contact one of the following individuals: WIB chair, JPB chair, or chief executive. The right of a whistleblower to protection against retaliation does not include immunity for any personal wrongdoing that is alleged and investigated.

Board of directors or committee members who have any questions regarding this policy should contact the chief executive.

OPEN MEETING LAW

Open meeting laws, also called *sunshine laws*, are state laws that were written to provide transparency and accountability in government. The basic provision of the law requires public institutions to have meetings open to anyone. The laws provide detailed regulations about how meetings should be conducted and provisions for when and how the board can meet alone. While the primary purpose of these acts is to open government to the public, many of the state laws include some types of nonprofits into the provisions. Usually nonprofits that receive state funds, have a government contract, or have government officials on the board or whose board is appointed by government officials must follow the sunshine laws (or open meeting laws).

The Central Minnesota Workforce Investment Board abides by the Minnesota Open Meeting Law.

See Appendix L: Minnesota Open Meeting Law

LOBBYING RULES FOR NONPROFITS

Political Contributions

The Central Minnesota Workforce Investment Board (WIB) encourages individual participation in civic affairs. However, as a charitable organization, the WIB may not make contributions to any candidate for public office or political committee and may not intervene in any political campaign on behalf of or in opposition to any candidate for public office.

Directors must, therefore,

- Refrain from making any contributions to any candidate for public office or political committee on behalf of the WIB.
- Refrain from making any contributions to any candidate for public office or political committee in a manner that may create the appearance that the contribution is on behalf of the WIB.
- Refrain from using any organizational financial resources, facilities, or personnel to endorse or oppose a candidate for public office.
- Clearly communicate that they are not acting on behalf of the organization, if identified as an official of the WIB, while engaging in political activities in an individual capacity.
- Refrain from engaging in political activities in a manner that may create the appearance that such activity is by or on behalf of the WIB.

ROLE OF THE BOARD

The Central Minnesota Jobs & Training Services, Inc. (CMJTS) board of directors in partnership with the Joint Powers Board (JPB) is the governing body of the organization, establishes and oversees policy, directs the activities of the Workforce Investment Board (WIB) and its committees, and approves all action pertaining to the business of the WIB.

Responsibilities of Directors

- An officer or director owes his or her loyalty to the organization and may not, without permission of the board, use the position as officer or director to his or her own advantage.
- Participate in strategic planning and the setting of long-term goals.
- The Local Unified Plan and Business Plan for each year shall be approved by the board prior to the beginning of the fiscal year of implementation.
- The budget of the organization shall be presented on an annual basis and approved by the board prior to its effective date.
- The board reviews the boards' and committees' reports and makes recommendations concerning committees' activities.
- The board has the responsibility for approving the fiscal auditor. The board approves the annual fiscal audit upon completion of the audit.
- The board has the responsibility for retaining a chief executive. The board evaluates the performance of the chief executive on an annual basis.
- The board must approve all new policies and policy revisions before they are incorporated into the Workforce Investment Board Policy and Procedure Manual.
- Act on behalf of the organization and its interests, putting aside personal concerns, affiliations, or constituencies.
- The board chair, in consultation with the executive committee, may call special meetings.
- Attendance of directors is required at all board meetings and official WIB functions and committee meetings. Request to be excused shall be sent as soon as possible to the WIB chair and chief executive.
- The board should evaluate itself annually.
- An officer or director may not be a designated or elected representative of another workforce service area board or WIB concurrently to serving as a director on the CMJTS, Inc. WIB.
- WIB officers or directors may not serve on the CMJTS, Inc. Operations Committee whose primary or secondary business activity is in direct conflict of interest with the CMJTS, Inc. organization without prior approval of the Joint Powers Board.

- Participate in committee work.
- Become informed about the policies and programs of CMJTS.
- Participate in board orientation activities.
- Act as an informed advocate of the WIB.

JOB DESCRIPTION: CHAIR

Position Summary

The board chair is the senior leader of the Central Minnesota Workforce Investment Board (WIB) and presides at all meetings of the board, including the WIB Executive Committee, and rotates to all other WIB committees as required. The chair must be a director from private industry (Statute 955. Section 117.5).

Requirements

- Successful completion of board orientation, strategic planning, and fiduciary training prior to submitting an application for a board officer position.
- Knowledge of the organization and personal commitment to its goals and objectives.
- Understanding of the One-Stop System (WorkForce Centers and its partners) and workforce development.
- Understanding of the Workforce Investment Act of 1998 and its laws concerning visionary WIBs and their direction under the U.S. Department of Labor.
- Knowledgeable of the Open Meeting Law.
- Proficient in leading well-organized board meetings under Roberts Rules of Order.

Terms

- The term of a board officer is one year. Officer elections occur in June of each year; officers are elected by the full board. The elected officer's term begins on July 1 to June 30 of the following year, when the election cycle begins again.
- There are currently no officer term limits. However, strong succession planning should be a key initiative of board development.

Function

- As chairperson of the board, assure that the WIB fulfills its responsibilities for the governance of the organization (Central Minnesota Jobs & Training Services, Inc.).
- Be a partner to the chief executive, helping him/her to achieve the mission of the organization.
- Optimize the relationship between the board and management.

Key Responsibilities

- **Policy and Planning:** Works with the chief executive and the board to establish the guiding principles, policies, and mission for the organization — for example, by initiating a regular review of the organization’s strategic plan and mission to keep them fresh and relevant, and by establishing metrics to measure success.
- **Budget and Finances:** Works with the chief executive, board treasurer, and CMJTS, Inc. Operations Committee to oversee the budget of the organization and assumes ultimate responsibility for the integrity of its finances — for example, by overseeing the annual fiscal audit of the organization and, as appropriate, internal audits as well.
- **Board Meetings:** Leads and facilitates board meetings by making sure that the agenda is closely followed, every director has the opportunity to participate in discussions, and the board uses proper decision-making procedures.
- **Board Committees:** Serves as an ad hoc member of all board committees and works to structure a committee system that contributes to the board’s overall effectiveness. Assigns WIB directors to committees in June of each year.
- **Board Development:** Oversees efforts to build and maintain a strong board by setting goals and expectations for the board, cultivating leadership among individual directors, and working with the board of directors to make board development a priority.
- **Board Recruitment and Orientation:** Works with the Joint Powers Board (JPB) and WIB to identify and recruit new directors who bring important skills and knowledge to the board.
- **Board Evaluation:** Works to make sure the board has opportunities to reflect regularly on how well it is meeting its responsibilities to the organization — in part by overseeing a board self-assessment annually.
- **Staff Oversight, Compensation, and Evaluation:** Support the CMJTS, Inc. Operations Committee in their oversight role for the hiring, evaluation, and compensation of the chief executive, and their work to develop a succession plan for the chief executive’s position. In addition, support the chief executive’s role to ensure internal succession planning is in place so staff members have the capabilities they need to lead the organization at every level.
- **Public Relations and Communications:** Speaks for the board in the event of a controversy or crisis; oversees the development of communications policies; and works to promote the work of the organization in conversations, speeches, interviews, and other day-to-day activities. Serve as an ambassador and spokesperson in the community, region, state, and national level.
- **Guidance:** Helps guide and mediate board actions with respect to organizational priorities and governance concerns.
- **Chief Executive Communication:** Reviews with the chief executive any issues of concern to the board.
- **Ambassador:** Serve as an ambassador and spokesperson in the community, region, state and national level.

- **WIB Partners:** Maintains open communication with all WorkForce Center partners.
- **Federal Contracts:** Under the Workforce Investment Act of 1998, the board chair, along with the chief executive, are responsible for reviewing and signing all federal contracts pertaining to the WIB.
- **WIB Orientation:** The board chair works in partnership with the chief executive to train all new directors in the orientation process.
- **Mentorship:** The board chair periodically consults with directors on their roles and helps them assess their performance and acts as a mentor to new directors. The chair also assigns mentors to new directors.
- **Other Duties:** Performs other responsibilities assigned by the board.

Warning

The position of the board chair is to represent the Central Minnesota Jobs & Training Services, Inc. board of directors (WIB) and the Joint Powers Board of Commissioners (JPB) as the voice of the entities and its membership. The chair takes his/her direction from the full board of directors and must have their approval prior to taking any action in public on behalf of the WIB. Using the chair position for personal gain or personal agendas or misrepresenting the governance of the corporation is in violation of the board's code of conduct and is subject to reprimand, up to dismissal from the board.

JOB DESCRIPTION: VICE CHAIR

Position Summary

The board vice chair is a senior leader of the Central Minnesota Workforce Investment Board (WIB) and presides at all meetings of the board, including the WIB Executive Committee and CMJTS, Inc. Operations Committee, and resides on a board committee as determined by the WIB chair. The vice chair must be a director from private industry (Statute 955, Section 117.5).

Requirements

- Successful completion of board orientation, strategic planning, and fiduciary training prior to submitting an application for a board officer position.
- Knowledge of the organization and personal commitment to its goals and objectives.
- Understanding of the One-Stop System (WorkForce Centers and its partners) and workforce development.
- Understanding of the Workforce Investment Act of 1998 and its laws concerning visionary WIBs and their direction under the U.S. Department of Labor.
- Knowledgeable of the Open Meeting Law.
- Proficient in leading well-organized board meetings under Roberts Rules of Order.

Terms

- The term of a board officer is one year. Officer elections occur in June of each year; officers are elected by the full board. The elected officer's term begins on July 1 to June 30 of the following year, when the election cycle begins again.
- There are currently no officer term limits. However, strong succession planning should be a key initiative of board development.

Key Responsibilities

- Prepares to assume the office of the board chair and its assigned duties.
- Fills the office of board chair should that office become vacant, and subsequently fills the office of chair for a regular term as is entitled to the vice chair.
- Assists the board chair in the execution of his or her duties.
- Be a partner to the chief executive, helping him/her to achieve the mission of the organization.

- Coordinates the liaison activities between the board and committees.
- Serves on the WIB Executive Committee, CMJTS, Inc. Operations Committee, policy, budget and finance committees, and other committees as appropriate.
- Provides a report at the executive committee meeting of his or her activities since the previous board meeting.
- Participates as a vital part of the board leadership.
- Attends all meetings.
- Performs any other duties as assigned by the board chair.

JOB DESCRIPTION: TREASURER

Position Summary

The board treasurer is a senior leader of the Central Minnesota Workforce Investment Board (WIB) and presides at all meetings of the board, including the WIB Executive Committee and CMJTS, Inc. Operations Committee, and resides on a board committee as determined by the WIB chair. The treasurer position must be selected among elected WIB directors only.

Requirements

- Successful completion of board orientation, strategic planning, and fiduciary training prior to submitting an application for a board officer position.
- Knowledge of the organization and personal commitment to its goals and objectives.
- Understanding of financial accounting for nonprofit organizations.
- Understanding of the One-Stop System (WorkForce Centers and its partners) and workforce development.
- Understanding of the Workforce Investment Act of 1998 and its laws concerning visionary WIBs and their direction under the U.S. Department of Labor.

Terms

- The term of a board officer is one year. Officer elections occur in June of each year; officers are elected by the full board. The elected officer's term begins on July 1 to June 30 of the following year, when the election cycle begins again.
- There are currently no officer term limits. However, strong succession planning should be a key initiative of board development.

Key Responsibilities

- Serves as financial officer of the organization and as chair of the finance ad hoc committee.
- Manages, with the operations committee and chief executive, the board's review of and action related to the board's financial responsibilities on a timely basis.
- Be a partner to the chief executive, helping him/her to achieve the mission of the organization.
- Works with the chief executive and finance manager to ensure that appropriate financial reports are made available to the board on a timely basis.

- Assists the chief executive and finance manager in preparing the annual budget and presenting the budget to the board for approval.
- Reviews the annual audit and answers board directors' questions about the audit.
- Assumes responsibilities of the chair in the absence of the board chair and vice chair.
- Performs any other duties as assigned by the board chair.

JOB DESCRIPTION: SECRETARY

Position Summary

The board secretary is a senior leader of the Central Minnesota Workforce Investment Board (WIB) and presides at all meetings of the board, including the WIB Executive Committee, and resides on a board committee as determined by the WIB chair. The secretary position must be selected among elected WIB directors only.

Requirements

- Successful completion of board orientation, strategic planning, and fiduciary training prior to submitting an application for a board officer position.
- Knowledge of the organization and personal commitment to its goals and objectives.
- Understanding of the One-Stop System (WorkForce Centers and its partners) and workforce development.
- Understanding of the Workforce Investment Act of 1998 and its laws concerning visionary WIBs and their direction under the U.S. Department of Labor.
- Knowledge of writing and reviewing board agendas and minutes for public record.

Terms

- The term of a board officer is one year. Officer elections occur in June of each year; officers are elected by the full board. The elected officer's term begins on July 1 to June 30 of the following year, when the election cycle begins again.
- There are currently no officer term limits. However, strong succession planning should be a key initiative of board development.

Key Responsibilities

The secretary shall be responsible for the oversight of keeping records of board actions, including taking of minutes at all board meetings, sending out meeting announcements, distributing copies of minutes and the agenda to each director, and assuring that corporate records are maintained according to corporate, state, and federal policy.

- Attend all board meetings.
- Serve on the executive committee.
- Maintain all board records and ensure their accuracy and safety.

- Upon board approval, review and sign board minutes when presented and/or on a monthly basis.
- Assume responsibilities of the chair in the absence of the board chair, vice chair and treasurer.
- Be a partner to the chief executive, helping him/her to achieve the mission of the organization.
- Performs any other duties as assigned by the board chair.

JOB DESCRIPTION: DIRECTORS (BOARD MEMBERS)

Individual Director Responsibilities and Personal Characteristics to Consider

- Attend all board and committee meetings and functions, such as special events.
- Be informed about the organization's mission, services, policies, and programs.
- Support the board chair and the chief executive.
- Review agenda and supporting materials prior to board and committee meetings.
- Serve on committees or task forces and offer to take on special assignments.
- Make a personal financial contribution to the organization (e.g., donate board per diems and/or travel expenses back to the organization).
- Inform others about the organization.
- Suggest possible nominees to the board who can make significant contributions to the work of the board and the organization.
- Keep up-to-date on developments in the organization's field of workforce development.
- Adhere to board conflict of interest, confidentiality policies, and code of ethics.
- Refrain from making special requests of the staff without going through the chief executive. Obtain prior approval from the chief executive when making special requests of CMJTS staff.
- Assist the board in carrying out its fiduciary responsibilities, such as reviewing the organization's annual financial statements.
- Gets to know other committee members and builds a collegial working relationship that contributes to consensus.
- Is an active participant in the committee's annual evaluation and planning efforts.
- Conduct an annual review of the WIB Orientation Manual and WIB Policy and Procedure Manual.
- Performs any other duties as assigned by the board chair.
- Be ambassadors to your community on workforce issues.
- Be conveners of workforce development, education and economic development.

Personal Characteristics to Consider

- Listen, analyze, think clearly and creatively, work well with people individually and in a group.
- Prepare for and attend board and committee meetings, ask questions, take responsibility and follow through on a given assignment, contribute personal and

financial resources in a generous way according to circumstances, open doors in the community, evaluate oneself.

- Develop certain skills if you do not already possess them, such as to cultivate and solicit funds, cultivate and recruit directors and other volunteers, read and understand financial statements, learn more about the substantive program area of the organization.
- Possess honesty, sensitivity to and tolerance of differing views, a friendly, responsive, and patient approach, community-building skills, personal integrity, a developed sense of values, concern for your nonprofit's development, a sense of humor.

JOB DESCRIPTION: COMMITTEE CHAIR

Position Summary

The committee chair becomes an official of the Central Minnesota Workforce Investment Board (WIB) and presides at all meetings of the board, including the WIB Executive Committee. The committee chair must be selected among elected WIB directors only.

Requirements

- Successful completion of WIB orientation.
- Knowledge of the organization and personal commitment to its goals and objectives.
- Understanding of the One-Stop System (WorkForce Centers and its partners) and workforce development.

Terms

- The term of a committee chair is one year. Committee chair elections occur in July of each year and are elected by members of the residing committee. The elected chair's term runs from July to June of the following year.
- There are currently no officer term limits. However, strong succession planning should be a key initiative of board development.

Key Responsibilities

The committee chair will perform the following responsibilities, with the assistance of the chief executive as so noted by an asterisk (*):

Committee Chairs Should

- Be elected by the committee to serve one year.
- Attend all committee meetings.
- Serve on the executive committee.
- Prepare a plan of work for the coming year.*
- Operate within the approved annual operating committee budget.
- Conduct committee-specific orientations for new committee members.*

Facilitate Committee Work

- Plan committee meetings and agenda.*
- Lead committee meetings.
- Assign tasks to committee members.
- Maintain records and relevant information.*
- Move members toward participation and decision making.
- Monitor the committee's progress.*
- Resolve conflicts among committee members.
- Arrange for the committee to evaluate its work at the end of each program year — or at the completion of its task — to determine whether it did what it set out to do, and what worked and what didn't work.

Communicate with the Full Board

- Accept and support the committee's charge.
- Serve as the liaison between the committee and the chief executive, the board chair, and the full board.
- Present urgent and timely committee motions to the full board's consent agenda for motion to approve.
- Ensure that appropriate reports are submitted to the board, and keep the board chair and the chief executive informed about the committee's progress.*
- Evaluate committee efforts and communicate accomplishments to the committee and to association leadership.
- Report to the board on progress of projects.*

JOB DESCRIPTION: YOUTH COUNCIL CHAIR

Position Summary

The Youth Council chair must be selected among elected Youth Council members or elected Workforce Investment Board (WIB) directors only. An elected WIB director or a Joint Powers Board (JPB) county commissioner will be assigned by the WIB chair to reside at all meetings of the Youth Council and bring requests from the Youth Council or its chair to the full WIB for approval on its consent agenda.

Requirements

- Knowledge of the organization and personal commitment to its goals and objectives.
- Understanding of the One-Stop System (WorkForce Centers and its partners) and workforce development.
- Working knowledge of youth programs.
- Understanding of Central Minnesota Jobs & Training Services (CMJTS) Youth programs and their mission and goals.

Terms

- The term of a Youth Council chair is one year. Youth Council chair elections occur in July of each year and are elected by members of the residing committee. The elected chair's term runs from July to June of the following year.
- There are currently no officer term limits. However, strong succession planning should be a key initiative of board development.

Key Responsibilities

The Youth Council chair will perform the following responsibilities, with the assistance of the chief executive and CMJTS Youth program manager as so noted by an asterisk (*):

Committee Chairs Should

- Be elected by the committee to serve one year.
- Attend all committee meetings.
- Prepare a work plan for the coming year.*
- Operate within the approved annual operating committee budget.
- Ensure committee-specific orientations are conducted for new committee members.*

Facilitate Committee Work

- Plan committee meetings and agenda.*
- Lead committee meetings.
- Assign tasks to committee members.
- Maintain records and relevant information.*
- Move members toward participation and decision making.
- Monitor the committee's progress.*
- Resolve conflicts among committee members.
- Arrange for the committee to evaluate its work at the end of each program year — or at the completion of its task — to determine whether it did what it set out to do, and what worked and what didn't work.

Communicate with the Full Board

- Accept and support the committee's charge.
- Serve as the liaison between the committee and the chief executive, the board chair, and the full board.
- Ensure committee motions are presented to full board's consent agenda for motion to approve.**
- Ensure that appropriate reports are submitted to the board, and keep the board chair and the chief executive informed about the committee's progress.**
- Evaluate committee efforts and communicate accomplishments to the committee and to association leadership.
- Ensure a report is presented to the board quarterly on progress of projects.**

** A director of the board will be assigned to bring all council motions and reports to the full board and executive committee.

COMPENSATION OF BOARD OF DIRECTORS

Each director may receive compensation for attending board meetings and for performing other board-approved services on behalf of the organization as budgets permit.

Any director may waive all or any portion of his or her compensation for any month or months during his or her term of office or directors may choose to accept their per diem and travel expenses and make a donation back to the organization.

Policy and Procedures

A director is eligible to receive compensation or per diem for the following activities (as budgets permit):

- Attending regular or special meeting of the board.
- Serving as a designated representative of the board, including, but not limited to, such activities as committees, community development and/or betterment committees, etc.
- Attending board-approved training and/or development activities, including, but not limited to, regional, state, or national association conferences; board in-service meetings; etc. This may also include time involved in traveling to and from the activity.
- Attending special board-related activities when approved by the board in advance. A reimbursement request form must be completed and submitted for approval **prior** to attending an event.
- At fiscal year-end, all WIB reimbursements must be turned in to the chief executive by June 15. If reimbursements are not received by this date they will be forfeited.

A director shall submit a monthly claim that verifies the nature and amount of approved activities for which compensation is claimed during the month. A director is only eligible to make one compensation claim for a given day.

NOTE

It may be inappropriate for directors receiving wages, salaries, or travel expenses from an entity receiving city, county, state, or federal funds to be compensated for board per diems or travel expenses.

See Appendix M: WIB Reimbursement Request Form

See Appendix N: WIB Training and Development Request Form

DIRECTORS EXPENSE REIMBURSEMENT

The Central Minnesota Workforce Investment Board's (WIB) reimbursement policy shall be reviewed annually by the chief executive, finance manager, treasurer, and the board. The board's travel mileage reimbursement shall be equal to the Joint Powers Board's approved rate, which is set at or below the current IRS reimbursement rate.

Travel and other authorized expenses incurred in carrying out WIB business must be reimbursed via a properly executed voucher. Travel made at the WIB expense must be authorized by the board's executive committee for a specific travel purpose or in an approved budget of the WIB.

The organization will reimburse directors traveling on board pre-approved official organization business the cost of round-trip coach-class travel, lodging expense, and meals up to a maximum of \$10 (breakfast), \$15 (lunch), and \$25 (dinner) per day. Travel outside Minnesota will follow acceptable federal per diem rates. Alcoholic beverages are at the individual's own expense and must be placed on separate receipts. Guest/spouse travel, lodging, and meals are not reimbursable.

So that the amount of the reimbursement is not considered taxable income to the recipient, WIB directors will be reimbursed for lodging expenses on actual costs incurred, provided that the amount is reasonable and receipts are attached.

Reimbursement is allowed for reasonable, ordinary, and necessary expenses incurred in connection with approved expenses or travel on behalf of the WIB. Any exception to this policy must be pre-approved by the board treasurer and chief executive.

NOTE

It may be inappropriate for directors receiving wages, salaries, or travel expenses from an entity receiving state or federal funds to be compensated for board per diems or travel expenses.

See Appendix M: WIB Expense Reimbursement Request Form

See Appendix N: Training and Development Request for Reimbursement Form

BOARD SELF-ASSESSMENT

Rationale

The board is committed to assessing its own performance as a board in order to identify its strengths and areas in which it may improve its functioning.

While the board sees its role of assessing its performance as ongoing, it sets aside time at its annual retreat to conduct a self-evaluation among its directors.

Purpose and Process

The purpose of the board self-evaluation is to identify those areas of board functions that are working well and those that may need improvement. The board self-evaluation speaks to the board as a whole, not to individual directors. It is the evaluation process of the overall effectiveness of the board as a decision-making group.

The following process will be used:

- A self-evaluation form will be distributed to all directors (board members) annually. Directors are highly encouraged to complete this form for the board executive committee, as it is a requirement of the board's monitoring process.
- The completed WIB self-evaluation form shall be submitted to the chief executive's office at least four week(s) prior to the regularly scheduled board retreat at which the self-evaluation will be discussed.
- The WIB self-evaluation results shall be included as an agenda item for review at a regularly scheduled board retreat.

See Appendix O: Evaluating the Effectiveness of the Nonprofit Board of Directors

See Appendix P: Individual Director Self-Evaluation

See Appendix Q: NAWB Self-Assessment Tool for Workforce Investment Boards

NOMINATION PROCESS FOR ANNUAL OFFICERS' ELECTION

The Central Minnesota Joint Powers Board (JPB) has developed the following procedure for the nomination process for the election of officers to the Central Minnesota Workforce Investment Board, which is scheduled to occur annually in June during the regularly scheduled WIB meeting.

To clarify the course of action and to ensure an open and fair election process, the following procedures will be followed:

1. Nominations for WIB chair, vice chair, treasurer and secretary must be submitted in writing by interested directors one week prior to the date of the WIB's April meeting. (See Appendix R: WIB Officer Nomination Form) Nominations will be accepted at the April WIB meeting by the JPB chair. At this time, the JPB chair will close the WIB officer nomination.
2. All nominees will be e-mailed the following documents, which must be reviewed, completed, signed, and returned to the chief executive no later than April 30:
 - WIB Officer's Job Description (chair, vice chair, secretary or treasurer)
 - WIB Officer Application Form (See Appendix S)
 - WIB Officer Code of Conduct (See Appendix T)
3. During the regular WIB meeting in May, each candidate accepting a nomination to a board officer position and who has submitted the required completed and signed documents listed above by the submission deadline date, will be requested to give a two- to five-minute presentation on why they wish to serve as an officer to the board in their selected position. This will assist new and existing board directors to familiarize themselves with each candidate and be afforded the opportunity to ask questions, if needed. We wish to give all WIB directors the advantage of hearing each candidate's presentation prior to voting to ensure a fair election process.
4. Voting will be completed by slate ballot vote (one ballot with all four positions listed) and placed in the envelope provided during the June WIB meeting.
5. The three officers of the Joint Powers Board, the chair, vice chair and secretary, will count the ballots and take the final count to the Joint Powers Board's quarterly June meeting for final approval. Ballots will be held for 30 days in case of a recount.
6. After final approval, the chief executive will contact the newly elected WIB officers and welcome them to the officer's rank and explain their official duties and required scheduled meeting dates.
7. WIB officers begin their duties on July 1 of that year. An announcement concerning the final approval of WIB elected officers will be included in the July WIB packet.

8. Absentee ballots may be requested for excused absences up to two (2) weeks prior to the June board meeting and must be received by the chief executive no later than the day prior to the June board meeting.
9. An absentee ballot cannot be rescinded to vote in person.

See Appendix R: WIB Officer Nomination Form
See Appendix S: WIB Officers' Application Form
See Appendix T: WIB Officers' Code of Conduct

BOARD MEETING ATTENDANCE POLICY

Purpose

The board attendance policy is designed to ensure that all board and committee meetings are well-attended in a quorum of contributing directors. Board attendance records will be reviewed by the executive committee on a regular basis.

Definition of a Board Attendance Problem

A board attendance problem occurs if the following conditions exist in regard to a director's attendance to board meetings:

- A director fails to attend three (3) consecutive meetings of the WIB and its committees.
- A director fails to attend one-third (or four meetings) of the total number of board meetings in the 12-month fiscal period.

Suggested Response to a Board Attendance Problem

If a board attendance problem exists regarding a director, the following procedure will be followed:

1. An attendance policy letter will be mailed to the director in question, reminding them of the board's attendance policy and providing a personal report of occurring absences. (See Appendix HH: WIB Attendance Policy Letter)
2. If the problem persists, the board chair will promptly contact the director to discuss the problem. The director's response will be shared by the chair with the executive committee at the next meeting. In that meeting, the executive committee will review the situation and make further recommendations to the full WIB regarding the director's future membership on the board.
3. If the executive committee recommends termination of the director's membership, the director will be notified in advance of the pending action and given an opportunity to address the WIB directly (in person or in writing). If a termination motion is approved by the WIB, termination will be conducted per the policy outlined in the organization's bylaws. (See Appendix C: CMJTS Bylaws (Section D.2.))

NOTE: In the case it is the WIB chair with attendance issues, the JPB will assume the responsibility of carrying out the policy.

See Appendix C: CMJTS, Inc. Bylaws (Section D.2.)

See Appendix HH: WIB Attendance Policy Letter

BOARD ORIENTATION

Board orientation is extremely important to the growth and development of new and current board directors as an introduction and training to the Minnesota Workforce System and board accountability to the national workforce development system under the Workforce Investment Act of 1998. Board orientation is a requirement for all new board directors as well as a refresher course for current board membership. Board orientation is scheduled by the chief executive and board chair within the first quarter of a new board director's application approval by the Central Minnesota Joint Powers Board of County Commissioners (JPB).

A director who fails to attend a scheduled group board orientation within the first six (6) months of appointment must contact the chief executive and make arrangements for a private training. A director who refuses to participate in the board orientation process may be placed on probation or removed from the board. A Workforce Investment Board (WIB) director cannot be effective if they do not understand their roles and responsibilities in the state and national workforce development system. Board orientation lays the foundation for board directors understanding the following areas:

- Local workforce board governance
- Fiduciary responsibilities
- The Workforce Investment Act of 1998 and its requirements
- CMJTS, Inc. Bylaws
- Joint Powers Board Agreement
- History of workforce development
- Workforce development programs and resources
- WorkForce Centers partners
- Workforce service areas in Minnesota
- Board training and development
- Workforce associations (e.g., MWCA, NAWB, NWA)

A copy of the **Orientation Guide for the Central Minnesota Workforce Investment Board** will be issued to each director of the WIB and JPB to use as a resource and information tool for their success on the board.

In addition, the JPB will issue each board director the **WIB Policy and Procedure Manual** to support the development of outstanding leadership on the board.

GUIDELINES FOR BOARD OF DIRECTOR RECRUITMENT AND NOMINATION PROCESS

The matter of board selection goes deeper than the choice of the “right” people. Most of the time, the selection of directors should be made by deciding who is “right” for a particular board, who can strengthen it, and who can give it the distinctive qualities that it needs at the present moment.

The job of building the board is more than just filling seats. It is about being strategic in the way a board looks at its composition and operations. The most effective boards—those whose directors are deeply committed to the organization’s mission, who bring expertise in key areas and sectors, and who represent diverse points of view—evolve over time through careful planning. The departure of a key director does not catch visionary boards off-guard because the process of identifying and cultivating potential candidates is ongoing.

Because the work of the board is varied and demanding, different directors should contribute different skills and attributes. Recruiting directors with a variety of backgrounds and experiences—professional, personal, and cultural—adds to the quality of the board and makes it more responsive and open minded.

The Workforce Investment Board (WIB) must decide for itself what characteristics and skills best suit its needs, but some general rules of thumb can guide that process. Consider people with leadership skills, community involvement, political connections, fundraising abilities, shared values, and a commitment to the organization’s mission. Having directors whose professional expertise is related to the organization’s mission can provide important insights during strategic planning and decision making.

The composition and complexity of the WIB is determined by federal law under the Workforce Investment Act and by the board bylaws. The WIB is required to have 23 board seats with membership strategically distributed over the 11-county workforce service area (Regions 7W, 7E and 6E). (See Appendix D: Central Minnesota Joint Powers Board Agreements for details.) Furthermore, the membership of the WIB is specific to federal law in that it must be *private business led with directors of the WIB representing organizations, agencies, or other entities being individuals with optimum policymaking authority*. (See Appendix C: CMJTS, Inc. Bylaws and Appendix V: Central Minnesota WIB Membership Representation for private industry selection.) Each member serves a unique purpose on the board as it relates to workforce development and the mission of the board. Therefore, board directors—both new and long-standing—need to be engaged with the important work of the board in order to have a stake in its success.

In summary, the business of recruiting and nominating individuals to the WIB can be arduous. The more strategic the board, the easier it is to find the right people to serve as its directors and leaders. The WIB has developed several tools to assist in the process of recruitment and the nomination process:

- Appendix U: Membership Criteria Checklist
- Appendix V: Central Minnesota WIB Membership Representation
- Appendix W: Application for Nomination to the Central Minnesota Workforce Investment Board

See Appendix C: CMJTS, Inc. Bylaws

See Appendix D: Joint Powers Board Agreement

See Appendix U: Membership Criteria Checklist

See Appendix V: Central Minnesota WIB Membership Representation

See Appendix W: Application for Nomination to the Central Minnesota WIB

CHIEF EXECUTIVE JOB DESCRIPTION

This policy assigns responsibility to the chief executive in specific functional areas.

Reports to: Central Minnesota Joint Powers Board and the WIB

Classification: Exempt

Position Summary

The chief executive is responsible for the overall administration and management of Central Minnesota Jobs & Training Services, Inc. (CMJTS), including service programs, organizational strategy, business operations, and support to the Joint Powers Board (JPB) and the Central Minnesota Workforce Investment Board (WIB) and its committees. Areas of responsibility include planning and evaluation, policy development and administration, personnel and fiscal management, and public relations. This is a full-time position, hired by and directly accountable to the Central Minnesota Joint Powers Board and serves the CMJTS governance board of directors.

Responsibilities

Management and Administration

- Develop and facilitate an active planning process and apply quality improvement principles.
- Develop organizational goals and objectives consistent with the mission and vision of CMJTS and its governance board.
- Develop and administer operational policies.
- Oversee all programs, services, and activities to ensure that program objectives are met.
- Oversee business development.
- Appointed executive signature authority for the CMJTS corporation.
- Ensure compliance with funding sources and regulatory requirements.
- Provide information for evaluation of the organization's activities.

Fiscal

- Develop, recommend, and monitor annual and other budgets.
- Ensure transparency, effective audit trails, and oversight.
- Approve expenditures.

- Provide for proper fiscal record keeping and reporting.
- Submit monthly financial statements to the board(s).
- Prepare and submit grant applications and funding proposals as appropriate.

Personnel

- Provide effective leadership and direction to maintain a satisfied and qualified staff.
- Administer board-approved personnel policies.
- Ensure proper (legal) hiring and termination procedures.
- Oversee any and all disciplinary actions.
- Provide for adequate supervision and evaluation of all staff and volunteers.
- Develop and monitor organization-wide succession planning strategies.

Board Relations

- Establish strong relationships with board directors and JPB members, as well as a working knowledge and partnership with the 55 county commissioners in WSA 5.
- Assist the board chair and its executive committee in planning the agenda and materials for board meetings and events.
- Initiate and assist in developing policy recommendations and in setting priorities.
- Facilitate the orientation and training of all board directors.
- Support the development of individual directors as board members.
- Oversee administration of board meetings, actions, and special events.
- Ensure the timely completion of the Local Unified Plan.
- Staff board committees as appropriate.
- Work with the board to raise funds from the community.

Community and Public Relations

- Establish and maintain relationships with local elected officials, legislators, and congressmen/women to educate and promote workforce development initiatives.
- Establish and maintain relationships with other professional/community organizations involved in workforce development, education, and economic development.
- Work with the board and board chair to identify, establish, and maintain liaison with professional organizations, community groups, and government organizations that are critical to the success of CMJTS.
- Serve as the primary voice of the organization to the general public, media, etc., promoting a positive image and understanding of the organization's purpose and goals.
- Establish sound working relationships and cooperative arrangements with WorkForce Center partners, DEED, social service, employers, schools, colleges, organized labor,

chambers of commerce, community-based organizations, and economic developers to promote the integration of workforce, education, and economic development services.

Qualifications and Expectations

The chief executive should

- Be comfortable working with a board of diverse individuals and taking direction from the board.
- Be comfortable working in a team environment, with the board, chair, and the executive committee of the board.
- Be able to exercise situational leadership skills ranging from task management to strategic leadership.
- Be able to compose clear and concise written correspondence and emails, as well as reports, to accomplish work.
- Be experienced at overseeing administrative tasks in a timely and organized manner.
- Have more than ten [10] years experience in nonprofit management, with at least [three] years at an executive staff level.
- Possess significant knowledge of the field of relevant subjects and the issues that currently affect CMJTS.
- Possess excellent interpersonal skills that are reflected in an ability to interact professionally with all levels of CMJTS staff, as well as executives from professional organizations and people in the community.
- Possess the ability to work through systems to accomplish goals.
- Possess organizational skills that will permit managing work efficiently, as well as working on several projects simultaneously, each at a different level of development.
- Have excellent oral presentation skills.
- Be able to handle changes and challenges in a positive and graceful manner.
- Be familiar with the role of electronic databases in a nonprofit organization.
- Be able to effectively provide ongoing support and direction to staff and programs at CMJTS Corporation while on official business at out-of-town locations.
- Possess a minimum of Bachelor's degree in administration/management, or a relevant profession.

CHIEF EXECUTIVE PERFORMANCE EVALUATION

Annual Performance Review

In addition to ongoing monitoring, the operations committee will provide a specific opportunity for the chief executive to present a written self-evaluation and for the committee members to organize their evaluation of the chief executive's performance and have it presented in a face-to-face debriefing with the chief executive. At this time, the committee and the chief executive will agree on any specific, personal performance goals for the year ahead. The chief executive's compensation package will be reviewed during or soon after this process and approved by the operations committee using appropriate salary comparison data.

CHIEF EXECUTIVE COMPENSATION

Program Philosophy and Objectives

The primary objective is to provide a reasonable and competitive chief executive total compensation opportunity consistent with market-based compensation practices for individuals possessing the experience and skills needed to improve the overall performance of the organization.

The organization's chief executive compensation program is designed to

- Encourage the attraction and retention of high-caliber chief executives.
- Provide a competitive total compensation package, including benefits.
- Strongly support and further transition to a "pay for performance" culture.
- Reinforce the goals of the organization by supporting teamwork and collaboration.
- Ensure that pay is perceived to be fair and equitable.
- Be flexible to reward individual accomplishments, as well as organizational success.
- Ensure that the program is easy to explain, understand, and administer.
- Balance the need to be competitive with the limits of available financial resources.
- Ensure that the program complies with state and federal legislation.

Program Market Position

While the Workforce Investment Board (WIB) focuses on comparable nonprofit organizations in our area to benchmark pay, we also understand that the market for executive talent may be broader than this group. Market information from two additional market segments, private foundations, and published nonprofit compensation surveys may be used as a supplement.

In addition, the WIB may also collect other published survey data, when appropriate, for for-profit organizations for specific functional competencies, such as finance and human resources.

Together with data from the comparable local organizations, data from these market segments are used to form a "market composite" to assess the competitiveness of compensation.

Governance and Procedures

The chief executive compensation program is administered by the operations committee. This committee is responsible for establishing and maintaining a competitive compensation program for the chief executive of the organization. The committee meets as needed to review the compensation program and make recommendations for any changes, as appropriate.

The operations committee may request that the human resources manager research and evaluate the organization's executive compensation program against the competitive market approximately every three years. The evaluation is intended to ensure that the compensation program falls within a reasonable range of competitive practices for comparable positions among similarly situated organizations.

FINANCIAL AUDITS

This policy delegates certain responsibilities to the audit committee and requires periodic rotation of the auditors.

Annual Audit

The financial records of Central Minnesota Jobs & Training Services, Inc. (CMJTS) shall be audited annually by an independent CPA firm that has a significant group of nonprofit clients. The finance ad hoc committee* shall be responsible for selecting the audit firm to conduct the annual audit. If the same audit firm conducts the audit for more than five consecutive years, the audit ad hoc committee shall review the firm's services and decide if the firm or the audit partner needs to rotate.

The audit firm will not be hired to perform non-auditing services, except for tax preparation and Form 990 preparation and shall not perform substantial services for any officer or director personally. The audit firm shall be engaged to present annual audit findings to the chief executive, the finance ad hoc committee, the Joint Powers Board, and the operations committee.

The finance ad hoc committee chair (WIB treasurer), chief executive, and CMJTS finance manager will present the annual fiscal audit to the full Workforce Investment Board (WIB).

See Appendix X: Audit Checklist

*The finance ad hoc committee shall include the WIB treasurer (to chair the committee), the WIB chair, JPB chair, a minimum of two other members of the CMJTS, Inc. Operations Committee (appointed by the chair of the CMJTS, Inc. Operations Committee), the chief executive, and CMJTS finance manager. This committee will meet a minimum of one time per year.

BUDGET PROCESS AND REVIEW

This policy states the purpose of the budgeting process and addresses preparation, approval, and review.

Budget Process and Implementation

Prior to the beginning of a new fiscal year, the operations committee shall approve an annual operating budget for each calendar/fiscal year that will project income and expenses and will provide for programs and support services as outlined in the work plan for the year.

Review of Budget

Once the budget has been set for the fiscal year, the budget shall be entered into the accounting system of CMJTS. As monthly financial statements are prepared, a comparison of actual monthly results of operations to budget figures shall also be prepared. The financial statements and budget variances (with explanations) shall be reviewed by the board. When deemed necessary, the board shall revise the budget to fund additional services or make allowances for other unbudgeted revenues or expenses.

See Appendix Y: Statement of Activities

See Appendix Z: Funding Streams for the WorkForce Center System

CAPITAL EXPENDITURES

This policy defines capital expenditures and provides guidelines related to budgeting and purchasing procedures.

Definition

A capital acquisition is an individual asset and/or class of assets that has a useful life of more than one year and a cost of \$2,500 or more.

Budget

Anticipated capital acquisitions shall be included in the normal budgetary process.

Purchasing

Any equipment with an estimated value of \$2,500 or more shall be purchased through competitive bidding or comparative pricing by at least three vendors whenever possible. Comparative pricing or competitive bidding should also be used periodically for regularly purchased materials, supplies, services, and insurance.

Executive Authority

The chief executive shall have the authority to make purchases under \$5,000 that are part of the approved annual budget without additional approval from the board. Such acquisitions shall be reported to the operations committee at their next regular meeting.

Property

The operations committee and the Department of Employment and Economic Development (DEED) must approve the purchase or disposition of any capital asset with a value of \$5,000 or more. The purchase or sale of any capital asset of higher value shall be approved by the operations committee.

All capital expenditures are acquired pursuant to a purchase order.

A fixed-asset inventory schedule and adequate insurance will be maintained.

CMJTS PROCUREMENT POLICY

Per CMJTS Employee Handbook

Only authorized persons may purchase supplies in the name of CMJTS. No employee whose regular duties do not include purchasing shall incur any expense on behalf of CMJTS nor bind CMJTS by any promise or representation without written approval.

Questions related to purchasing of supplies and equipment should be directed to the accounting department.

All equipment purchases should be facilitated through CMJTS' corporate office in Monticello. The corporate office will place the order, receive the item, and attach a fixed asset tag, when required, and record the item in the asset inventory, prior to the item being put into use by the agency.

All equipment purchases, that have an expected life of over one year and a purchase price in excess of \$2,500.00, must have a numbered fixed asset tag attached to them in a visible location. Equipment with an expected life of over one year and purchase price less than \$2,500.00 must have a property tag attached.

Equipment with a purchase price in excess of \$200.00, but less than or equal to \$1,000.00, requires signed approval of a manager.

Equipment with a purchase price in excess of \$1,000.00, but less than or equal to \$2,500.00, requires the signal approval of a manager and the finance manager or chief executive.

Equipment with a purchase price in excess of \$2,500, but less than or equal to \$5,000.00, requires three written bids and must have the signed approval of a manager, the finance manager, and chief executive.

Equipment with a purchase price in excess of \$5,000.00 requires three written bids and must have the signed approval of a regional manager, the finance manager, the chief executive, and the board chair, and have county and/or state approval as required by law. All bid documentation must to be given to the finance manager prior to placing the order.

RISK MANAGEMENT

This policy identifies general areas of risk that the chief executive is responsible for managing and provides some guidance on the level of protection.

Asset Protection

The chief executive shall adequately protect and maintain from unnecessary risk Central Minnesota Jobs & Training Services, Inc. (CMJTS) assets. Accordingly, the chief executive shall:

- Insure against theft and casualty losses of tangible personal property to at least 80 percent replacement value and against liability losses to board directors, staff, or the organization itself at no less than minimally acceptable prudent levels.
- Have sufficient employee dishonesty insurance and directors' and officers' liability insurance for personnel with access to material amounts of funds.
- Ensure office and equipment is not subjected to improper wear and tear or insufficient maintenance.
- Protect the organization, its board, and staff from exposure leading to claims of liability.
- Protect intellectual property, information, and files from loss or significant damage.
- Seek bids or demonstrate other prudent methods for any purchases over \$2,500 and protect against conflicts of interest.
- Receive, process, or disburse funds under financial controls that meet the board-appointed auditor's (or other grant) standards.
- Hold operating capital in secure instruments, such as insured checking accounts.
- Seek approval (when appropriate) of property and casualty insurance revisions by the operations committee.

FINANCIAL TAX AND INFORMATION FILING CALENDAR FOR NONPROFIT ORGANIZATIONS

Filing	Form	Date due to federal government
Payroll Forms and Returns		
▪ Unemployment Tax	940	1/31
▪ Social Security and Withholding Tax	941	4/30, 7/31, 10/31, 1/31
Information Returns		
▪ Wages and Tax Statements	W-3/W-2	2/28, 4/1 if e-filing
▪ Miscellaneous Income Statements	1099MISC	2/28, 4/1 if e-filing
▪ Interest Income Statements	1099INT	2/28, 4/1 if e-filing
▪ Other Income	1099 Series	2/28, 4/1 if e-filing
▪ 1099 Transmittal	1096	2/28, 4/1 if e-filing
Exempt Organization Returns		
▪ Group Exemption Update	List	9/30 for upcoming year
Employee Benefit Plans		
▪ Pension, 401(k); Health, Group Life, Disability, or Dependent Care; Group Legal Services or Educational Assistance; Cafeteria Plan	5500	11/15

IRS FORM 990

This policy articulates expectations related to the Form 990.

The chief executive shall ensure that tax payments and other government-ordered payments or filings are filed in a timely and accurate manner.

The chief executive shall sign and certify that the IRS Form 990 is accurate and complete.

The operations committee shall review and approve the IRS Form 990 annual tax filing prior to submission, and the full board shall receive a copy of the IRS Form 990 within 30 days of its submission.

Consistent with the requirements of §6104(d) of the Internal Revenue Code and the regulations thereunder, copies of the organization's Form 990 shall be made available, upon request, in a timely manner, and [without charge OR subject to the charges permitted by law] to any individuals who request it. This report will also be posted on the Central Minnesota Jobs & Training Services, Inc. website (<http://www.cmjts.org>) for public review.

See Appendix AA: IRS Form 990

EXECUTIVE COMMITTEE

This committee provides a detailed job description defining the executive committee as supporting the Central Minnesota Workforce Investment Board (WIB) and as liaison to the chief executive.

Charge

The Executive Committee (EC) is responsible for working in support of, or occasionally in place of, the Central Minnesota Workforce Investment Board (WIB).

Mission

To provide WIB operational leadership and ensure the bylaws are successfully carried out.

Scope of Authority and Lines of Accountability

The EC serves at the direction of the full board and Joint Powers Board (JPB). Its chair is the WIB chair; its vice chair is the WIB vice chair. The EC shall consist of elected officers (e.g., WIB chair, WIB vice chair, WIB treasurer, WIB secretary, JPB chair, JPB vice chair, JPB secretary [optional], Workforce Development Committee chair, Community and Government Relations Committee chair, Youth Council chair or vice chair, and a WIB director at-large). The chief executive shall serve on the committee as ex officio. The EC chair serves a term to correspond with the term(s) as elected WIB chair. Committee members serve during their tenure as officers and chairs of the standing WIB committees. The EC chair is responsible to report to the WIB all plans, activities, and accomplishments of the committee in accordance with the following duties and responsibilities, and to formulate and recommend actions by the full WIB prior to implementation.

Duties of the Executive Committee

The work of the committee revolves around the following major areas:

Perform policy work.

- Carry out specific directions of the board, and take action on policies when they affect the work of the executive committee or when the full board directs the committee to do so.

- Act on behalf of the board on all issues related to WIB business between board meetings, with responsibility to report actions to the board for ratification or further board action at the next meeting.

Act as liaison to the chief executive.

- Nurture the chief executive by providing counsel, feedback, and support when needed.
- Act as a sounding board to the chief executive.

Coordinate the development of a strategic planning process.

- Initiate the board's involvement in establishing a strategic framework or direction.
- Approve and/or assist in long-range planning.
- Review WIB Committee annual performance plans focusing on progress made, or the lack thereof, in accomplishing goals on a semi-annual basis and reporting to the board as warranted.

Handle urgent issues.

- Resolve an emergency or organizational crisis, when necessary.

Establishes procedures for maximum utilization of progress towards goals, including

- Evaluation of board functions.
- Yearly evaluation of board directors according to job description.
- Review of each board director's activity and participation.
- Board development and education.
- Conducts quarterly reviews of WIB director attendance.
- Makes sure the board accomplishes its mission and goals, and WIB Committees accomplish their goals and timelines.
- Periodically, reviews the executive committee's performance.

Recommends new board members.

- Responsible for recruitment and placement of new directors.
- Evaluates and recommends new directors to the JPB for review and approval, based on policy and procedures of the WIB selection process.

Sets the agendas for the Workforce Investment Board and its committees.

- Ensures monthly agendas are set for the WIB and its committees
- Ensures the timely distribution of the WIB packets to all WIB directors and partners.

CMJTS, INC. OPERATIONS COMMITTEE

This committee provides a detailed job description defining the committee as supporting the operations of Central Minnesota Jobs & Training Services, Inc. (CMJTS), the administrative entity.

Charge

The CMJTS, Inc. Operations Committee (OC) is responsible for the oversight of the operations of CMJTS and provides support to the chief executive. The OC reports to the WIB.

Mission

To provide effective oversight to CMJTS programs and corporate operations.

Scope of Authority and Lines of Accountability

The OC serves at the direction of the WIB chair and full board. Its chair is the Joint Powers Board (JPB) chair. Its vice chair is the JPB vice chair. The OC shall consist of the JPB chair, JPB vice chair, JPB secretary, WIB chair, WIB vice chair, WIB treasurer, and at least two (2) appointed directors who may or may not reside on the board's executive committee. The chief executive shall serve on the committee as ex officio. The OC chair serves a term to correspond with the term(s) as elected JPB chair. The OC chair is responsible to report to the WIB board all plans, activities, and accomplishments of the committee in accordance with the following duties and responsibilities, and to formulate and recommend actions by the full WIB prior to implementation.

NOTE

No director may be appointed to the OC who has a direct conflict of interest in service delivery with the CMJTS corporation.

Duties of the CMJTS, Inc. Operations Committee

The work of the committee revolves around the following major areas:

Fiduciary Responsibility

- Ensures the finance ad hoc committee (an ad hoc of this committee) completes the annual fiscal audit process, reviews the bidding process for hiring an accounting firm (every third year), and reviews the annual 990 report to the feds prior to submission.
- Ensures the chief executive provides a monthly financial report to the WIB and JPB for review and consideration each month.
- Ensures the chief executive provides a quarterly detailed fiscal report to the WIB and JPB for review and consideration each March, June, September, and December.
- Schedules the annual fiscal auditor's report and presentation to the committee for December of each year and reports its findings promptly to the WIB and JPB in January, ensuring that any findings are swiftly corrected by the chief executive and finance manager and a summary of the corrections be submitted to the fiscal auditors, JPB, and WIB.
- Ensure the chief executive provides the corporate fiscal report to WSA 5 counties annually.

Act as liaison to the chief executive

- Nurture the chief executive by providing counsel, feedback, and support when needed.
- Plan and conduct annual assessment of the chief executive performance and report the results of the assessment to the board and chief executive.
- Support the chief executive in the staff salary review process.
- Ensure that the chief executive has a strong leadership training process in place with effective succession planning implementation.

Support the development of an organizational planning process for the Title 1-B administrative entity, CMJTS

- Support program and project plans.
- Review monitoring reports by state and federal monitors.
- Review performance standard program reports annually.
- Establish a review process for ensuring that each department completes a department manual and keeps it current.

Assess CMJTS corporate effectiveness

Fiduciary Assessment

- Review Annual Fiscal Report by the fiscal auditors
- Review monthly fiscal report
- Review detailed fiscal quarterly report
- Ensure total “fiscal transparency” to the JPB and WIB

IRS 990 Report

- Ensure it is completed and submitted on time

Program Assessments

- Review all monitoring reports

YOUTH COUNCIL

This council provides a detailed job description defining the Youth Council as supporting the Central Minnesota Workforce Investment Board (WIB) and as sustaining agents to the Youth programs of Central Minnesota Jobs & Training Services, Inc. (CMJTS).

Charge

The Youth Council is responsible for working in support of the WIB and in accordance to its mission, vision, and values. Its purpose is to support employment and training services to at-risk youth as defined by state and federal program guidelines.

Mission

To help youth make a connection between learning and earning.

Scope of Authority and Lines of Accountability

The Youth Council (YC) serves at the direction of the WIB chair and full board. Its chair is selected among elected council membership. The YC chair serves a one-year term from July to June. In July, a new chair is elected or the incumbent re-elected. The YC chair or vice chair may also reside on the WIB Executive Committee. The chief executive will serve on the YC, on a rotating basis, as ex-officio. The CMJTS Youth Program manager will be staff support to the council.

The YC chair or its vice chair are responsible to report to the WIB all plans, activities, progress, and accomplishments of the committee, in accordance with the following duties and responsibilities, and to formulate and recommend actions by the full WIB prior to implementation.

Duties of the Central Minnesota Youth Council

The work of the committee revolves around the annual work plan.

See Appendix BB: Youth Council Goals and Work Plan

WORKFORCE DEVELOPMENT COMMITTEE

This committee provides a detailed job description defining the Workforce Development Committee (WFDC) as supporting the Central Minnesota Workforce Investment Board (WIB) and as leaders in regional cluster/sector strategies.

Charge

The WFDC is responsible for working in support of the WIB and in accordance to its mission, vision, and values.

Mission

To provide leadership in connecting local/regional business, education and economic development initiatives, as well as ensuring quality services in the WorkForce Center System or One-Stop Centers.

Scope of Authority and Lines of Accountability

The WFDC serves at the direction of the WIB chair and full board. Its chair is selected among WIB directors only. The WFDC chair serves a one-year term from July to June. In June, a new chair is elected or the incumbent re-elected. The WFDC chair also resides on the WIB Executive Committee. The chief executive will serve on the WFDC, on a rotating basis, as ex-officio.

The WFDC chair is responsible to report to the WIB all plans, activities, progress, and accomplishments of the committee, in accordance with the following duties and responsibilities, and to formulate and recommend actions by the full WIB prior to implementation.

Duties of the Workforce Development Committee

The work of the committee revolves around the following major areas:

Develop and oversee the Local Unified Plan, its process and delivery in the workforce system

- Ensure partners complete the plan by the state deadline.
- Approve the plan and take it to the WIB for final approval.
- Assess the progress of the plan throughout the year.

Complete a regional scan every three years and data collection as needed to advance the committee.

- Request the development of a regional scan and net job change data by the DEED regional LMI analyst as needed to enhance strategic direction of Workforce Service Area.
- Use the regional scan and its data to determine the direction of the region in workforce planning.
- Identify sectors to support regional growth and development.

Develop a business survey to find out what types of jobs will be created in the current and future economy and the skills needed for these jobs.

- Use this survey to develop trends in the regions.
- Evaluate the barriers to job growth and creation.

The WIB believes that if the WorkForce Center System is to be a demand-driven system and contribute to the economic well-being of the local economy, it must be successful in:

- Developing a qualified and competitive workforce.
- Identifying the workforce needs and the preparation required to succeed in occupations in high-growth, high-demand, high-wage and economically critical industries.
- Allocating training dollars to provide the skills and competencies necessary to support industries now and in the future.
- Integrating workforce, education and economic development strategies for our labor market region.
- Engaging the community in the workforce challenges for our region and enlisting their support in solving them.

COMMUNITY AND GOVERNMENT RELATIONS COMMITTEE

This committee provides a detailed job description defining the Community and Government Relations (CGR) committee as supporting the Central Minnesota Workforce Investment Board (WIB) and as conveners of workforce development, education, and economic development.

Charge

The CGR is responsible for working in support of the WIB and in accordance to its mission, vision, and values.

Mission

To develop and foster community and government relations while promoting the WIB's interests and policies.

Scope of Authority and Lines of Accountability

The CGR serves at the direction of the WIB chair and full board. Its chair is selected among WIB directors only. The CGR chair serves a one-year term from July 1 to June 30. In June, a new chair is elected or the incumbent is re-elected. The CGR chair also resides on the WIB Executive Committee. The chief executive will serve on the CGR, on a rotating basis, as ex-officio.

The CGR chair is responsible to report to the WIB all plans, activities, progress and accomplishments of the committee in accordance with the following duties and responsibilities, and to formulate and recommend actions by the full WIB prior to implementation.

Duties of the Community & Government Relations Committee

The work of the committee revolves around the following major areas:

Provide services, information, and assistance to:

- Individuals who use the Workforce Centers
- Businesses
- CMJTS staff
- WFC partners
- WIB and JPB members
- Community organizations and municipalities

Become the voice of the WIB in the community and live its mission as conveners of workforce development, education and economic development in the region.

- Build relationships and partnerships with community organizations to secure future collaborations with agencies when support is needed.

Legislative Actions

- Oversee annual WIB Legislative Breakfast
 - Schedule annual legislative event ensuring event calendar coincides with local elected officials', county commissioners, WIB regular meeting dates, and chief executive.
 - Review attendance list.
 - Ensure all local elected officials are:
 - Sent personal invitations
 - Provided follow-up calls to remind them of the date
 - Provided a mentor at the door when they arrive to the event
 - Sent a letter of thanks for participating in the event
- Approve Minnesota Workforce Council Association (MWCA) annual legislative platform.
- Support MWCA Day at the Capital annual event
 - Attend this event if possible

WIB AD HOC COMMITTEE POLICY

WIB ad hoc committees must be

- single-purpose driven with specific goals established
- approved by both the board's executive committee and the full board
- tied to one of the existing standing committees with specific lines of communications established

A specific time limit is to be established for the ad hoc committee to complete its work. Any additional time must be approved by the WIB's executive committee and the full board.

Directors serving on an ad hoc committee will be expected to attend their standing committees and WIB meetings.

BOARD COMMITTEE EVALUATION

Pay Attention to Your Board's Needs

The work group of the board should reflect the current work of the board. As the board's work changes, the work group may change as well. Therefore, the committee structure must be flexible and under periodic evaluation. A stagnant or inflexible committee structure can cause problems such as these:

- A standing committee that had important work to do a year ago has now completed its objective and has nothing to do. To make committee meetings seem more worthwhile, the committee has taken on a few new initiatives, none of which were sanctioned by the board.
- A board divides all its work among its standing committees. Sometimes certain tasks do not fit in with the work of any of the committees, so the board chair gives these tasks to the committee that is least busy at the time. This has caused some directors to feel confused about their committee's role. Some have reacted to this confusion by micromanaging the work of the other committees and the staff; others have reacted by not showing up to meetings.
- A board started out with three committees. Every time a task came up that did not fit in with the work of the committees already established, the board established a new committee to accomplish that task. Now the board has more committees than it has directors, and members are complaining about having to attend too many meetings.

To ensure your committees are working as effectively as possible, the board must be on the lookout for problems like these and address them as soon as they are found. Board committee evaluations are a good way to monitor the effectiveness of a committee.

NOTE

Board committees often fail when they do not know what they are supposed to do. Therefore, giving them definite areas of responsibility, or charges, is crucial for their successful functioning. While bylaws may state the roles of particular standing committees, separate committee charters should define their specific responsibilities. ***Remember, the board determines the charter or responsibilities of the committee, not the committee itself.***

See Appendix CC: Board Committee Evaluation

ROBERT'S RULES OF ORDER

SUMMARY VERSION

For Fair and Orderly Meetings

Provides common rules and procedures for deliberation and debate in order to place the whole membership on the same footing and speaking the same language. The conduct of ALL business is controlled by the general will of the whole membership — the right of the deliberate majority to decide. Complementary is the right of at least a strong minority to require the majority to be deliberate — to act according to its considered judgment AFTER a full and fair "working through" of the issues involved. Robert's Rules provides for constructive and democratic meetings, to help, not hinder, the business of the assembly. Under no circumstances should "undue strictness" be allowed to intimidate directors or limit full participation.

The fundamental right of deliberative assemblies require all questions to be thoroughly discussed before taking action!

The assembly rules — they have the final say on everything! Silence means consent!

- Obtain the floor (the right to speak) by addressing the chair by stating Mr./Madam Chairman. Must be recognized by the chair before speaking!
- Debate cannot begin until the chair has stated the motion or resolution and asked "are you ready for the question?" If no one obtains the floor, the chair calls for the vote!
- Before the motion is stated by the chair (the question) directors may suggest modification of the motion; the mover can modify as he pleases, or even withdraw the motion without consent of the seconder; if mover modifies, the seconder can withdraw the second.
- The "immediately pending question" is the last question stated by the chair!
Motion/Resolution - Amendment - Motion to Postpone
- The director moving the "immediately pending question" is entitled to preference to the floor!
- No director can speak twice to the same issue until everyone else wishing to speak has spoken to it once!
- All remarks must be directed to the chair. Remarks must be courteous in language and deportment — avoid all personalities, never allude to others by name or to motives!

- The agenda and all committee reports are merely recommendations! When presented to the assembly and the question is stated, debate begins and changes occur!

See Appendix DD: Robert's Rules of Order Made Simple

See Appendix EE: Robert's Rules of Order: The Rules

See Appendix FF: Robert's Rules of Order Cheat Sheet

DEALING WITH DIFFICULT BOARD MEMBERS

“The best nonprofit boards are a wonderful amalgam of personalities, who care deeply about the services provided by the organization for which they serve, and fully support the role that the organization plays within the community. Successful board leadership understands that each diverse personality offers a different skill set to the organization, and a good board chair orchestrates how those talents can be best integrated into a strategic effort. An inefficient board usually lacks leadership, and often does not have the right cast assembled to perform well for the organization.”

— Peter A. Jablow, President & CEO
Levine School of Music, Washington, DC

How do you talk to a director who can't make it to meetings on time? What about the director who thinks they are always right? Addressing difficult boardroom behavior in a timely manner can make the difference between troubling and troublesome.

Organized as a reference guide, ***Taming the Troublesome Board Member*** lays out a blueprint for avoiding and resolving the challenge of disruptive board directors. It explores the root of troublesome behaviors and helps identify and address problems quickly and with as much grace as possible.

Addressing many different types of troublesome behavior, you'll find out how to manage directors who are

- unprepared
- micro-managing
- deviating from mission
- serving personal interests
- suffering from founder's syndrome
- and more!

Board and committee chairs will find this section empowering and accessible as the board leaders who need to take action. Chief executives and consultants will also benefit from this resource in an effort to understand what might be causing the trouble in their boardrooms. The knowledge and understanding inside this section can ultimately help improve board meetings, encourage a collective board process, and strengthen the personality of your board.

NOTE: Board chairs, committee chairs and leaders of the board may request the book by Katha Kissman, ***Taming the Troublesome Board Member***, which includes real life case study examples that illustrate specific behaviors outlined in this section. Contact the chief executive or executive assistant for your personal copy.

Failure to Understand Legal Obligations

The vast majority of nonprofit board directors understand that being a member of a board of directors carries specific legal responsibilities and fiduciary obligations to ensure the organization is carrying out its mission in a responsible manner, both operationally and financially. Directors are responsible for protecting the organization from legal action, promoting safe and ethical working conditions for staff, and safeguarding the organization's integrity. No one would argue that this is what a board director does, or should do. "Troublesome" enters the picture when an individual director does not actively remember that his or her presence on the board and participation as a member of the board carries these legal and ethical responsibilities, and therefore, fails to live up to them.

If this type of troublesome behavior is not addressed, an organization runs the risk of facing serious legal and financial trouble from which it may never recover. In light of the corporate scandals of the late 1990 and early 2000s, Congress has taken a keen interest and stronger position on preventing these situations in the future. Toward this end, the Sarbanes-Oxley Act of 2002 introduced new requirements for publicly traded companies in the corporate sector to broaden the board's governance role in financial and auditing procedures. Although only two provisions of the Act apply specifically to nonprofit organizations, Sarbanes-Oxley has been a wake-up call for nonprofits. All nonprofits should discuss the following practices and their relevance to their own policies and processes:

- Independent audits and the establishments of an audit committee.
- Requirements and standards of auditors.
- Certification of financial statements by chief executive and finance manager.
- Avoidance of making personal loans to directors or executives; or if provided, the loans must be approved by the board, the process for providing the loan should be documented, and the value and terms of the loan should be disclosed.
- Enforcing a conflict-of-interest policy in which directors annually disclose their potential conflicts of interest.
- Compliance with the timeliness, accuracy, and completeness of the Forms 990 by filing electronically when that option is available to them.
- Greater disclosure and transparency of financial position.
- Development, adoption, and disclosure in a formal process to deal with complaints and prevent retaliation.
- A whistle-blower policy for taking employee and volunteer complaints seriously, investigating each situation, and protecting the concerned individual from undue punishment for disclosing a concern.
- Written documentation retention and periodic destruction policy.

A key responsibility for current and future nonprofit boards will be to keep their antennae up with regard to further developments of the Sarbanes-Oxley Act of 2002 and the impacts on the nonprofit sector.

But, even the most conscious, transparent, accountable board cannot fully prevent troublesome board behavior. The following are examples of poor boardsmanship “behaviors,” their definitions, and solution strategies to help directors who fall into one or more these categories.

Recommendations for assistance were selected from the 2006 BoardSource, *Taming the Troublesome Board Member*.

Poor Boardsmanship

There are certain expectations regarding individual directors’ conduct and responsibilities in fulfilling board activities. These can be specially documented legal actions, (as previously discussed under the Sarbanes-Oxley Act of 2002), or simply that those come with the general understanding of the boardroom as a professional setting. Most of all, these expectations come with each and every directors’ commitment to govern an organization. Although some troublesome behaviors may be overlapping, those categorized here as poor boardsmanship tend to carry more serious organizational consequences.

The behaviors discussed below stem from a variety of issues and result in related and many times similar impacts, but the discussion is framed around

- General board director laziness that affects meeting efficiency.
- The individual director’s lack of respect for the collective board process.
- Lack of clarity regarding board culture.
- The inevitable challenge of duality of interests when serving on a board.

Each discussion defines a specific behavior, describes the impact on the full board or individual directors, includes a case study to illustrate and analyze the behavior, and then provides solutions for dealing with the behavior. Because these cases are largely based on real-life examples, it is important to note that some cases may illustrate more than one troublesome behavior. For the purpose of discussion, the author acknowledges this and asks the reader to extract the learning appropriately.

Disrupted Board Meetings

The following behaviors are tied to general apathy of an individual director. When directors ignore the minimum requirements of board service it is most likely caused by irresponsibility rather than a misunderstanding or a personal conflict.

In the cases that follow, some or all of these measures could be taken to prevent the behavior from forming:

- Identify and manage *expectations* of directors – verbally during the recruitment phase, on paper during orientation, and with additional verbal reminders during onboarding.
- Make *requirements* absolutely clear on a regular basis (in addition to the initial orientation).
- Always hold all directors accountable for their actions.
- Institute documented recourse for failures to fulfill board obligations, such as removal policies or mechanisms; be sure they are distributed, reviewed, and approved by the full board.
- Apply any necessary recourse in a consistent manner so that directors understand the consequences of irresponsible behavior.

Some of the behaviors below suggest more specific preemptive solutions and all will require additional action.

Behavior: Doesn't Come to Meetings

Definition: When a director is consistently absent at board meetings and other organizational events which he/she is expected to attend and participate in some way.

Impact: This behavior is troublesome when it is chronic. When expected or required input is compromised due to absence, other directors find themselves having to cover for the absent director or doing his/her expected work. It may become irritating to the point where the other directors, in meetings when the director is present, no longer “hear” his/her input because it is either not relevant or they feel it is not dependable. This behavior may also allow other directors to think it is acceptable to skip future events or meetings themselves. Additionally, by not fulfilling the duty of care—failing to exercise reasonable care while making a decision as a steward of the organization (not participating in the decision making process)—a director places liability risks on him/herself.

Solution Strategy: Now What?

Before a person accepts an invitation to serve on a board, his number one obligation is to understand the board meeting schedule and accept the invitation only if he/she can commit to attending meeting. Ideally, the board meeting calendar is set at least one year in advance, with directors determining the best date and time for everyone.

When directors are absent from the process of discussion and brainstorming, it automatically pushes the team backwards toward an earlier, more formative stage of development. Absence endangers a director's capacity to both be educated and to inform others, and it compromises quorum. A quorum—which defines how many directors must be in the room before a meeting can begin—should exist and be followed. It ensures that one or just a few directors do not make decisions without the board's consent. Many state laws set a quorum as a majority of voting members if the bylaws do not define other standards. Quorum should, however, be included in the bylaws. A review of the bylaws will remind directors why their presence is essential.

Occasional board director absence from meetings is a fact of life, but it does not or should not happen often. All directors should be aware of the only acceptable reasons to be absent: illness, a death in the family, or other extreme personal or professional issues. In these cases, unless it is virtually impossible to do so, the board chair should be notified of absences in advance. When absence is occasional, the board has a responsibility to keep the absent director up to speed. A good practice is to make note of the meeting discussions, to be provided to directors who are not present, along with a follow-up from a member of the executive committee. This will ensure that absent director(s) have reviewed the discussion and have the opportunity to ask questions or provide additional comments at the next meeting. It will save the group unnecessary time and energy in updating absent directors during the next meeting, also preventing other troublesome behaviors from forming due to lack of information or a misunderstanding.

If the absence is chronic—in the case of either acceptable or unacceptable excuses—the behavior must be dealt with directly. Either the board chair or the executive committee chair is responsible for dealing with the issue (and this person should know of his/her responsibility ahead of time). The responsible party should speak directly and assertively with the director in question and restate the expectation about board meeting attendance. It is helpful to dig deep enough to understand the reasons for the director's absence or order to choose the best approach for conversation. If it is unclear what the real problem is, there is a possibility the director may be losing interest in the board's work. He/she may be dodging a problem or misunderstanding with a fellow director. Or, the chronic absences may be a way of sending the message, "I want out!" The first step of intervention will make it easier to come up with options for what should happen next, even if the individual is ultimately asked to step down.

Behavior: Arrives Late to Meetings

Definition: When a director is consistently late to board meetings and/or other organizational events in which he/she is expected to attend and participate in some way.

Impact: When expected or required participation is compromised due to lateness, other directors sometimes find themselves having to cover for the absent director or doing his/her expected work. This behavior either causes the entire group to wait on the missing director's arrival or it eventually interrupts the flow of the meeting, requiring the group to provide recaps so that the individual can be engaged in the rest of the conversation. Regardless, it wastes the precious time of everyone involved, taking away from the focus of the discussions and many times causing the meeting to end later than planned. The tardy director misses key parts of the discussion, affecting the quorum if there are votes taking place. This behavior may also allow other directors to think it is acceptable to neglect the determined start time at future events or meetings themselves.

Solution Strategy: Now What?

Occasional director tardiness at meetings is also a fact of life. Grumbling or complaining about it is wasted energy. But, being on time is expected—not just because it should be an understood obligation, but simply out of basic politeness and respect for everyone else's time. If the tardiness is occasional, the director has a responsibility to get him/herself up to speed. If he/she knows in advance he/she will be late, a director should:

- Let the board chair or chief executive know that he/she will be late so that the meeting can go ahead and start without him/her.
- Refrain from commenting on business completed or in discussion prior to his/her arrival so that the team can move forward with the participants who have all the information.
- Follow up soon after the meeting or during a break with another director to see what he/she missed.

This will save the group unnecessary time and energy in having to repeat everything for the tardy director during the meeting. In the case above, the board has no formal responsibility to interrupt the meeting and inform him/her of what he/she has already missed. The board chair can explain this gently, telling the tardy director that he/she will be filled in after the meeting.

If the tardiness is chronic, something must be done to deal with it directly. Active participation should be considered obligatory. Asking questions, providing feedback, sharing ideas, or refusing to accept easy solutions all contribute to the needed base for wise decision making. And when a director arrives in the middle of it all, he/she misses key points of discussion, finding it impossible to be an active participant. Either the

board chair or the governance committee chair needs to intervene and restate the expectation about being on time for board meetings. If it is unclear what the real problem is, there is a possibility the director may be losing interest in the board's work.

For the good of the entire board process, the board chair may wish to explore or lead a discussion about meetings in general.

- Are meetings boring, badly prepared, or poorly chaired?
- Are all various meetings necessary?
- Are unimportant issues or "old business" first on the agenda?
- Are meetings too long, held at an inconvenient time, or not scheduled enough in advance?
- Is the location of various meetings inconvenient?

Behavior: Comes Unprepared

Definition: When a director consistently comes to meetings without having read the agenda or other distributed materials ahead of time, and having failed to do any assigned research or reporting to provide information, insight, or input on a particular subject for the rest of the board.

Impact: Having to bring someone up to date in meetings that were specifically designated for discussion and consensus based on previously provided information slows down the rest of the board and may prevent the necessary decision making from happening at the meeting as planned. The discussion can only move forward efficiently with the careful deliberation of all directors. If someone comes unprepared, the process is flawed and wasteful. When a director participates without the necessary background knowledge the board may ultimately "turn off" the voice of the individual due to lack of confidence in his/her ability to make a fully informed decision.

Solution Strategy: Now What?

If there is a singular failure (or on very rare occasion) to do the homework, then the director has an obligation to refrain from commenting in a discussion where he/she may not have the full information to do so. Directors can agree in advance that this will be part of the team process so it is expected each time. If it is stated as part of a meeting's standard operating procedure, the board chair is responsible for setting the standards and managing this process.

When poor preparedness happens often and questions arise as a result, the board chair could gently illustrate the point to the director by citing the homework materials (with the answers) during meeting time. Regardless, the chair should meet with the director in question after the meeting to discuss his/her behavior and how it is affecting the group process. Ask the director what information he/she might find helpful. Is he/she receiving enough? Too much? What format is best in order to digest it appropriately? Additionally, using this topic with the entire group as a subject for ongoing board

development on an annual basis may prevent this troublesome behavior. Not only will it surface any concerns or areas for improvement so that the process can be revised on a regular basis, but it will cultivate an aspect of organizational culture that meeting attendees will come fully prepared as an indication of respect for everyone else's time.

Weakened Personality of the Board

The following behaviors are tied to ignorance or lack of clarity regarding "the way of the board." Every board is different and all boards face occasional change in membership, structure, and focus. When directors are unsure or uninformed regarding the board culture, the entire group needs to take a step back to get everyone on the same page. In the cases that follow, some or all of these measures could be taken to prevent the behavior from forming.

- Hold an annual retreat apart from traditional board meetings to focus on process and strategy.
- Provide continuous board development to ensure that the mission, vision, and values are embedded in board work.
- As a team, revisit the board structure, including committees and the nature of their assignments, to be sure work is being done in the most efficient way and with a common understanding.
- Be sure all directors understand the expectations and limitations of board-staff relationships.
- Create job descriptions for the board as a whole, individual directors, board officers, and committees so that there are no misunderstandings regarding specific roles and responsibilities.
- Always, always, always do the proper recruitment, orientation, and onboarding, regardless of the unique reasons or circumstances around someone's invitation to join the board. Not only does this prevent the board from bringing new people on for the wrong reasons, but it is also beneficial for prospective directors to engage in a detailed learning phase in which the organizational history, culture, and process is made clear so the directors can be sure that the organization is a good match for them too.
- Be sure term limits are enforced. It should be a regular process for the governance committee to re-review each director before re-election so that no is surprised or insulted when the time comes.
- Consider trial periods for incoming directors. This is a good way of gauging whether or not someone is a right fit. Some boards allow board candidates a seat on a committee or taskforce before actually joining the board, testing the waters for the board and for the candidates themselves.

Some of the following behaviors suggest more specific preemptive solutions and all will require additional action. Keep the list above in mind as you read the specific cases and their solution strategies.

Behavior: Confuses Roles and Responsibilities

Definition: When a director either naively or consciously fails to fulfill his/her stated responsibilities as a director, confusing the director role with that of the board chair, the chief executive, or other member of the staff.

Impact: This behavior makes it difficult for others to get their jobs done efficiently. It takes the board backward in having to redefine the roles and responsibilities, and can even lead to attempted micro-management of board or organizational operations and inappropriate interactions with other individuals involved (whether directors or staff). Inappropriate interactions with colleagues can cause poor internal communication, a decrease in productivity, and low morale.

Solution Strategy: Now What?

Directors have a responsibility to support the chief executive in his/her delegated authority to run the day-to-day operations of the organization. If the full board concludes that the chief executive has violated the board's trust in any way, it should follow protocol for the evaluation and, if necessary, removal of the chief executive. Anything other than that is not the role of the board. Additionally, it is inappropriate under most circumstances for directors to have direct communication with staff members other than the chief executive about organizational issues and operations or without the chief executive's prior approval. Both the board and the entire staff should have the understanding that any and all communication to the board must go through the chief executive.

The board chair needs to periodically remind directors of their individual responsibilities as a board officer or a member of the board, clarifying the differences in board roles and the role of the chief executive in managing the organization and its programs.

Behavior: Micro-manages

Definition: When a director—whether it's the chair or a member who does not hold an officer position—inappropriately “over-manages” the rest of the group, monitoring the work of others too closely, stepping in to another person's job function when it is unwarranted, and operating independently rather than through the group.

Impact: Micro-management can be confusing and exhausting for everyone. It is at best duplication of effort and at worst, de-motivating by not allowing others to do their own job. The director who is micro-managing fails to do his/her work effectively because the focus is on the work of others. It is not uncommon for things to fall between the cracks, and resentment fills the space. Ultimately, an “over-engaged” director leads to the

disengagement of other members (board or staff) and processes begin to break down, discussions lose meaning, and the team effort is lost.

Solution Strategy: Now What?

New directors owe it to themselves and to the rest of the board to get to know not only what has happened and what is happening with the organization, but also who the players are and how they interact. The first few meetings should be used to develop a full understanding of what the organization has already accomplished, the current strategic issues it is facing, the group dynamics, relationships and personal styles of the other directors, and the level of work and participation that is expected.

In a perfect world, a mature organization would rarely bring on a director who had not served on a nonprofit board before. Organizations that are no longer in the startup phase of organizational development need experienced directors who are capable of looking at issues from all angles and making hard, strategic decisions. If there was a rush in bringing on a new director and the board can't turn back now, the board chair might try implementing a buddy system to give the new director a deeper understanding of organizational mission, history, culture, and basic board responsibilities.

Additionally, it is the board chair's responsibility to intervene and ask the governance committee to go back and do orientation "after the fact" with the director, defining the roles and responsibilities of the board as a working body, and of directors as individuals. Providing the director with written resources, as well as offering the opportunity to participate in workshops or other trainings to increase his/her understanding of the new role, could help.

Behavior: Fails to Integrate Into Organizational Culture

Definition: Organizational culture can be defined as a relatively unstated, undefined set of beliefs, knowledge, attitudes, and/or traditions that operate as subtext under an organization's formal structure and operations. Culture may exhibit itself as a negative or positive. It may be actively promoted or indirectly followed. When a director has a set of beliefs, knowledge, attitudes, or traditions that are at odds with those generally accepted and applied within the organization, conflict is often the result. This frequently manifests itself when a new director sees him/herself as a self-appointed change agent.

Impact: Failure to integrate into the established organizational culture can be a confusing and frustrating experience for the director because he/she may not understand that this is the actual cause of those feelings. Or, when a director who strongly believes that somehow the "old way of doing things" is wrong and it is up him/her to make a change, other directors may be influenced by the change agent, causing factions or cliques and breaking apart the communication and teamwork ethic.

Solution Strategy: Now What?

Directors should be cautious not to come onto a board solely to push their own agendas, especially if it negatively affects the organization's formal structure, such as its bylaws, or its formal operations. This may be seen by other members as a conflict of interest. It takes time for new directors to understand board and organizational culture and be a positive contributor to the new team. If a member becomes consistently negative and fails to integrate into organizational and board culture, the board chair should step in immediately and explain to the director that his/her ideas of change may be too dramatic for serious consideration at this time ... and why. Conversation may lead to:

- The director understanding that they may be coming on too strong, too soon after joining the board
- Realizing that the director is still in a learning curve and needs to gain a greater understanding of the organization and its culture
- The director may come to the realization that the board isn't the right place for them
- The board may come to an understanding that it might be missing out on opportunities because it is staying in a comfort zone that could ultimately prevent growth or even long-term viability

In addition, the board could engage in some appreciative inquiry activities (using an acknowledgement of contribution and success rather than an analysis of dysfunction or failure) to create a common understanding of the organization in its current place. The board should confirm what it is working for the organization and the board, while conducting healthy dialogue that could surface some aspects for needed changes that may not have been considered otherwise.

Behavior: Deviates from Mission

Definition: When a director's work strives for something other than the stated mission of the organization.

Impact: This behavior leads to wasted time and energy on everyone's part and can cause loss of focus, commitment, and respect for the organization from other directors. In many cases, failure to understand mission leads to other troublesome behaviors in the same individual, such as bullying or not understanding roles.

Solution Strategy: Now What?

A director's failure to understand the organization's mission may lead to continued proposals inconsistent with the organization's intended work. In this case, the board chair's direct conversation with the member about their direction and its consequences on the legal status of the organization would be in order.

All directors need training when coming to a new board, no matter how experienced or inexperienced they may be. Each organization has a different mission with a different

culture and a different way of doing things. The board chair should make it a point to help directors understand the purpose and mission of the board.

One way of reminding everyone why they're on the board is to make time for "mission moments" on the agenda for each board meeting. These mission moments take only five or ten minutes of the group's time, and ask that each member shares with the rest of the group a recent experience he/she had that served as a reminder of why their work is so important to the community. It allows the board to take a step back as a group and remember the larger picture in the midst of the sometimes difficult issues. And, for those directors who haven't yet grasped the purpose of the organization, another education tactic may be better later than never.

Sometimes, the only way to resolve this sort of behavior is to wait until the director's term limit is up and he/she can be rotated off the board.

Pushing an "Uncollective" Board Process

The following behaviors are displayed when an individual disrespects the collective practices of the board. When directors fail to honor the commitments to group process, it most likely stems from a misunderstanding of group norms, and/or an inability or unwillingness to take part in shared responsibilities. In the cases that follow, some or all of these measures could be taken to prevent the behavior from forming.

- Always take meeting minutes and be sure assignments and individual commitments are given in writing and/or verbally in front of the group.
- Ensure an active governance or executive committee that will communicate with directors and committees one-on-one to maintain the health of the board and an understanding of shared responsibility, as well as to hold all directors accountable.
- Require more active committee chairs that will follow up with individual committee members and gather the working group as a whole on a regular basis.
- A discussion on team theory and how decisions are reached and honored should take place during the orientation and onboarding process. Additionally, incoming directors should be educated on the board's background, culture, policies, and voting procedures.
- During recruitment and orientation it should be made absolutely clear that the directors not only serve as public ambassadors for the organization, but also do their individual work on behalf of the entire group.
- Maintain a confidentiality policy and require all directors to review and sign it annually.
- Some of the behaviors below suggest more specific preemptive solutions and all will require additional action. Keep the above in mind as you read the specific cases and their solution strategies.

Behavior: Doesn't Follow Through

Definition: When a director has been specifically tasked with a responsibility or activity and he/she fails to get it done.

Impact: Failure to complete an assigned task slows the forward movement of the board board's work. It is frustrating to put an item on the agenda, carving time out of a meeting to discuss it, and then not have anything to discuss. It can have serious consequences if the task is deadline-oriented or prevents an aspect of time-sensitive planning or decision making from taking place. That being said, fellow directors will have a difficult time trusting the individual's work in the future, and may ultimately take on more work rather than risking setback and disappointment by trusting the individual with a new assignment.

Solution Strategy: Now What?

If it is clear that there is a pattern of behavior in this respect then at the very least the board could refrain from assigning the director additional tasks in the future, even when he/she volunteers for such. One slip is enough to suggest maybe another director should perform a task along with him/her to help move the process along and get a better sense of what the problem might be. If that director reports back that he/she did all the work without the reluctant director's help, then this would be further feedback to use when talking to the individual about this behavior.

Behavior: Undermines the Board Chair

Definition: Undermining means to weaken or sabotage someone through either subtle or obvious means. When a director undermines the board chair he/she is challenging the board chair's authority to delegate and facilitate in leading the governance process.

Impact: This behavior can create poor interpersonal relationships on the board, encourage the development of factions or cliques, and even harm the constructive partnership between the board chair and the chief executive. More than anything, it might encourage the board chair to change his/her leadership style in a way that is not beneficial to the rest of the group or even cause the board chair to leave the board altogether.

Solution Strategy: Now What?

If a director has proven that he/she is unwilling to work under the board chair's leadership, and that he/she has lost interest in staying committed. The most reasonable solution at this point would be for the governance committee to ask the member to step down from the board for the time being, making sure that he/she has accepted and understood that he/she is a negative force. This will be a difficult conversation to have, and should be handled with grace and sensitivity. The board should have a clear policy regarding the removal of a director for failure to honor his/her responsibilities and

ideally, the member would have been informed of this policy when he began his/her term.

The governance committee may want to suggest some time for the board to do teamwork surrounding the loss of its team member. This is an often-overlooked process that can provide enormous closure to a team and open new doors for the future. When a team member leaves, especially after being asked to step down, there will be different feelings among the other members of the board. If these thoughts and concerns are acknowledged and openly discussed, the previous version of the team can be retired and the new team can start with a clean slate.

Food For Thought

“Effective boards develop a succession culture—they ensure that all critical positions in the organization have a succession plan. For the board, this means that not only is there a plan for the chief executive’s successor, but also that there is a successor being groomed for the board chair position. It’s inevitable that both will need to be replaced at some point—whether it is planned or not. In any organization, one of the most important jobs for the board is ensuring uninterrupted flow of capable management and leadership. Without successors for the chief executive and board chair planned in advance, the organization is faced with gaps in the leadership, increased drama due to the uncertainty of the leadership, and possibly undue time and effort on the part of some to “jockey” for the leadership position. Precious momentum can be lost merely due to the fact that no one knows who will be the next leader. All this can be avoided with proper planning, which will allow the organization to give the proper tools, exposure, and development to either of these important positions.”

– Joyce Henderson, ED.D.
Collegiate Professor of Business and Management
University of Maryland, College Park, MD

Behavior: Insists on Personal Opinion in the Face of Majority Decisions

Definition: When a director fails to contribute to the team decision-making process by “fighting for” something that the group has already decided against.

Impact: When a director refuses to bow to majority decision it causes high frustration among the group, wastes time and energy, and ultimately lowers the value of the individual’s contributions because the other directors will consider him/her an obstacle to the team.

Solution Strategy: Now What?

An effective board moves to an understanding and articulation of its collective power; one board equals one voice. The board must work in such a way as to make decisions and exercise authority through the blending of individual viewpoints. Once a full

discussion has happened, a vote has been taken, and a majority opinion has been made, it is imperative that all directors support that decision both publicly and privately. If a director does not support a decision for whatever reason, he/she has a responsibility to remain silent or step down from the board.

When such an occasion occurs, the board chair needs to have an immediate intervention with the member. Just because someone is appointed (or even elected) to the board, does not mean he/she has the right to hold court. If the board chair has no success in broaching the subject with the director privately, the chair could adopt a strategy in the public forum, or take the issue to the Joint Powers Board for a solution, reprimand, or possible dismissal of the director in question. Directors who actively engage in this type of behavior and thus seek out support by contacting Joint Powers Board or county commissioners will be immediately removed from the board.

Behavior: Criticizes the Organization in Public

Definition: When a director, who by nature of the position should be a public ambassador for the organization he/she serves, makes critical or disparaging comments about the board, the organization as a whole, or another affiliated person.

Impact: In addition to being indiscreet and possibly sharing confidential information, an organization's reputation and public good will can be compromised by this behavior.

Solution Strategy: Now What?

The board chair should be informed of the situation immediately and then have a serious conversation with the troublesome director. Having the specific factual information—place, date, time, and who heard what—is the only way this conversation can have legitimacy. It cannot be hearsay. Speaking poorly of the organization in public, regardless of whether or not confidential information is publicized, is an unacceptable behavior and the director should be confronted and held responsible.

Serving Dual Interests

A conflict of interest occurs when a director has a professional or personal interest that interferes with his/her independent decision making. These types of actual conflicts of interest prevent directors from fulfilling their duty of loyalty to the organization—placing the wellness of the organization above other considerations. Perceived conflicts of interest, if not addressed, generate an appearance of impropriety that can ultimately lower the public's confidence in the organization. It is up to the board to be sensitive to this perception and determine how to deal with it.

Conflicts of interest may spawn many different kinds of troublesome behaviors. It is extremely important to look to the root of the behaviors and, when a conflict of interest is involved, it must be addressed in an open and transparent manner. The following troublesome behaviors can become problematic conflicts of interest if not managed

appropriately. Some or all of these measures could be taken to prevent the behaviors from forming:

- Maintain a clearly stated and comprehensive conflict-of-interest policy that is distributed, reviewed, and signed annually by each director, along with a process for disclosure. All directors need to be properly educated to understand what conflicts of interest are, how to disclose potential conflicts appropriately, and the consequences for not doing so.
- Maintain a clearly state and comprehensive code of ethics that is distributed, reviewed, and signed annually by each director.
- It should be made absolutely clear to all directors from day one that they are to serve the interests of the organization, not themselves or anyone else related to the cause. If it becomes apparent that someone is there for the wrong reasons, he/she must be given a choice to either leave the board or commit for the right reasons.
- Directors must recognize in advance that their service cannot and will not bring them direct financial return in any way.
- Be sure the bylaws cover contingencies for director removal (such as the failure to maintain confidentiality).
- The governance committee should consider occasional leadership development activities around loyalty to mission and duty of care.

Some of the behaviors below suggest more specific preemptive solutions and all will require additional action.

Behavior: Fails to Maintain Confidentiality

Definition: When a member of the board fails to maintain the best interests of the organization by publicly sharing aspects of organizational business that legally and ethically require nondisclosure.

Impact: This troublesome behavior causes potential damage to the organization's image and public good will. Depending on the nature of the organization and its work, it could impact staff records, client/patient records, and may even bring legal actions or cause a loss of business opportunity.

Solution Strategy: Now What?

If a member intentionally violates the board confidentiality policy by going public and makes derogatory remarks about the organization; termination from the board should be effective immediately.

While there may be intervention points throughout this action in which the behavior could be dealt with, prevention is really the way to ensure that this situation does not reoccur and harms the organization.

Behavior: Serves Personal Interest or Multiple Loyalties

Definition: When someone commits to board service, he/she is agreeing to the principle that the good of the organization will govern all decision making. A director's role is to put aside any personal preferences. Something is troublesome when an individual director fails to recognize or fulfill this duty and attempts to serve his/her own personal interests first.

Solution Strategy: Now What?

When an individual is elected or appointed to the board they may come from a variety of backgrounds and may wear several different hats. Unfortunately, when dealing with individuals one of the hardest things for them to understand is that once they assume the role of director they must take off their current hat and put on their "in the best interests of this board's" hat in order for the board to be effective.

Again, prevention is the key to the solution in this case. Proper orientation for incoming directors regarding roles and responsibilities and working within established procedures may prevent members from serving personal interests.

Food for Thought

"It's critical that each board member be focused on the best way to achieve the goals of the organization and not on his/her own agenda. This should be taken into consideration when selecting new board members. During the recruitment process, some of the questions should be designed to specifically address this issue such as "What is your specific interest in serving on this board?" or 'Have you ever served on another board where a board member used his/her position for professional or personal gain? If so, can you tell us about that and what happened?' Listening carefully to what and how a potential board candidate answers can assist in finding the most qualified persons to fill the seats."

– Rebecca J. Rush, Financial Advisor, Houston, Texas

Poor People Skills and Personality Conflicts

The following troublesome behaviors are tied more closely to personal characteristics or clashing personalities that make it difficult to form solid relationships and work well in a team atmosphere. As a result, board teamwork is damaged, group decisions are compromised, and board discussions hindered. Because these behaviors stem from personality development, idiosyncrasies, poor training or skill development, or personal responses to actual perceived conflict, they are unfortunately more difficult to prevent or change.

Damaged Board Work

When directors are motivated by their own individual opinions rather than working to form a group stance on a particular issue or decision, it shows disrespect for the group's diversity of knowledge, opinion, and motivation, and prevents teamwork from happening efficiently or at all. Some or all of the following measures could be taken to prevent the behaviors from forming.

- All potential directors should be fully vetted in the recruitment process, particularly when they are recommended over and over again from the same source. To vet properly:
- Ask questions to get a sense of whether or not an individual works well in a group.
- Look for individuals who can keep an open mind and see different sides to an issue.
- Keep an eye out for signs of a strong ego (Has he/she been able to serve in a nonleadership role on another board successfully?) and make a few discreet inquiries if need be.
- A discussion on team theory and how decisions are reached and honored should take place during orientation and onboarding process. All directors should know the consequences of failing to work together as a team.
- Meeting etiquette should be discussed during recruitment and orientation, as well as the consequences of not adhering to it.
- Maintain an overall board understanding of the expectations and limitations of board-staff relationships.
- Create job descriptions for the board as a whole, individual directors, board officers, and committees so there is no misunderstanding regarding specific roles and responsibilities.
- Time should be spent annually on team-building and leadership development exercises to ensure an understanding and commitment to group work.

Some of the behaviors below suggest more specific preemptive solutions and all will require additional action. Keep the above in mind as you read the specific cases and their solution strategies.

Behavior: Doesn't Work as a Team Player

Definition: When a director determines that he/she knows best and declines or refuses to participate in group discussions or decision making. Often, he/she will complete tasks without input from the rest of the board.

Impact: This behavior is irritating and de-motivating, and can cost the organization time and money by making decisions that are not authorized and/or by duplicating efforts. When a director refuses to gather team insight, his/her board work will lack a diversity of knowledge and opinion and could lose sight of the important issues. The director might also end up wasting his/her own time if the rest of the board decides to redo the work as a team.

Solution Strategy: Now What?

The board chair should be informed of such situation and then should talk to the perspective director about the value of utilizing committees and involving others in committee work; after all, isn't that the point of having a committee in the first place? Why set up a working group if not everyone assigned to it will be involved?

Good board practices suggest that a formal process should be put in place for electing committee chairs and for conducting regular evaluations regarding the need for committees and the work of the committee members.

Behavior: Has sidebars with Others in Meetings or Offline Conversations

Definition: In this content, a sidebar is a private conversation held during a group meeting, but among a smaller portion of the group. Offline conversations are those among a smaller group of people outside the boardroom that pre-debate or continue to debate issues that were discussed openly in a group meeting. Often, sidebar and offline conversations are lobbying attempts to undermine others, redirect or refocus group energies, change decisions already made, or develop or solidify factions or cliques within a group.

Impact: In a meeting, a sidebar conversation harms the focus of the entire group, as well as those who are speaking privately, and prevents the group from thinking and deliberating together. Meeting etiquette requires that each director listens to the others, and when someone has something to offer or share, to do so with the full group so that everyone is working from the same information. When a smaller group has a private discussion in a public meeting, those involved come to incomplete or flawed opinions or conclusions regarding the topic because they have missed the other voices in the room. Additionally, offline conversations do not benefit from the entire group's input and so others may form opinions or frame decisions that are not under team consensus. Both forms of conversation undermine the board as a whole, and may cause unrest between directors.

Solution Strategy: Now What?

The board chair has a responsibility to stop sidebars from happening in meetings. He/she can speak to the director(s) in question during a break or outside of the meeting and respectfully ask them to desist. Or, the board chair can address the behavior as it is happening within the meeting. The offending parties may not be aware of the distracting nature of their behavior and calling it to their attention shows common courtesy to the others in the meeting. Additionally, there should be an understanding among all directors that reflecting on board issues outside the boardroom can be a hindrance to the team. Directors should refrain from heated discussions offline when/if their opinions cannot be shared with the full board.

Behavior: Bullies or Displays a Controlling Personality

Definition: When a director, especially one who is not in a position of authority, has an obsessive and inappropriate need or desire to control people or situations and acts in a domineering, intimidating, or threatening manner in order to get his/her way.

Impact: This behavior causes ill will and compromised relationships on the board and possibly even with the staff, leading to a breakdown of trust and an inability to work together. It stifles the opinions and input of others, alienating fellow directors from what should be a group process. The others are discouraged by a feeling of working for someone rather than the important cause that brought them there in the first place. A director with a controlling personality causes the board to miss out on the knowledge and insight of other directors, making passive stewards out of once-engaged directors.

Solution Strategy: Now What?

The board chair must immediately intervene bullying and controlling members, addressing the behavior, not the person or the issue. Lack of quick action may cause damage to trust and relationships within the organization that may not be repaired easily, if ever. When boards ignore or procrastinate in dealing with behaviors like this because of fear or apathy, they actually enable such behavior and allow it to worsen.

Shoddy Decision Making

The following behaviors stem from an unwillingness to keep an open mind. Whether through intentional or unintentional dishonesty, deceit, or inappropriate initiative, these situations compromise the decision-making ability of the entire group. Some or all of the following measures could be taken to prevent the behaviors from forming:

- Background checks and appropriate vetting by the governance committee should always be done during the recruitment stage.
- During recruitment and orientation, a discussion of the organization's current position on its lifecycle should clarify the history, present state in the appropriate context, and future goals for all new directors.
- Board evaluations—of all directors and board officers specifically—should be conducted regularly so that the weak board leadership can be further developed or removed from the board when necessary.

Some of the behaviors on the following pages suggest more specific preemptive solutions and all will require additional action. Keep the above in mind as you read the specific cases and their solutions strategies.

Behavior: Won't Accept Change

Definition: When a director is closed-minded to something new or different and stands in the way of necessary growth and change.

Impact: As an organization grows and adapts to external changes, the work structure of the board also needs to change in order to keep the organization successful and relevant in its community. When a director gets in the way of necessary change, opportunities are lost and the organization could be at risk for stagnation.

Solution Strategy: Now What?

In order to work with the team to manage organizational change and individual directors' responses to it, it may also be useful for the chief executive and board chair to initiate an organizational assessment. Although a big undertaking, this process could help the board focus on which developmental stage or stages the organization is passing through and whether its current capacities are sufficient to sustain it at that stage. With data and feedback gathered from stakeholders and others externally connected to the organization and its community, rather than a big idea coming from a single person inside the organization, directors can collectively determine the need for change.

Behavior: Creates Cliques and Group Divisions

Definition: When an individual director's behavior causes the development of subgroups within the larger group, usually around an opinion, action step, or specific decision. Cliques work against another individual or individuals, whether it is intentional or not, to remove power from the other person(s).

Impact: This behavior creates unrest between directors and wears down the board chair. It disrupts the decision-making processes, causing lack of consensus and a tendency for each subgroup or faction to "fight" for its idea for the sake of winning, rather than listen with an open mind for the good of the cause. Ultimately, when directors expect board time to be consumed by incessant disagreement, engagement and commitment begin to wane.

Solution Strategy: Now What?

It is difficult to prevent a clique from forming—the nature of board work is to strategize, discuss difficult issues, and debate. It is the board chair's role to guide the discussion in the boardroom and talk to individuals separately if he/she sees the potential for cliques forming.

Unfortunately, there are some human behaviors or group dynamics that, once started, are difficult to reverse or control. In this case, unless there are others on the board who recognize what is happening and come together in a timely enough manner to bolster good leadership and offer alternative solutions, the clique will succeed. Sometimes cliques form and succeed for the right reasons, whether it is someone taking the lead to

energize others to reengage or lethargic board, or in an attempt to change a founder-backed or rubber-stamping board. Other times, a clique's only success is leaving the board with a sour taste and lingering fallout.

Directors should be conscious of the possibility that fellow directors may attempt to create a faction against a specific activity, idea, or individual. One of a director's individual responsibilities is to remain independent-minded within the group process and then, once a decision is made cohesively, to accept and support it on behalf of the entire board.

Behavior: Acts without Authority

Definition: When a director determines for him/herself that he/she knows best and either participates in group discussions in a domineering manner, or acts without delegation or authorization outside of the board context to make something happen.

Impact: This behavior can be irritating and de-motivating and in many cases can cost the organization time and money by taking programs or decisions in the wrong direction.

Solution Strategy: What Now?

When a director acts without authorization outside of the board's context of its organizational strategy, mission and goals, the board chair needs to find a way to immediately undo what has been done in a manner that saves face for both the organization and its members. It should also be made absolutely clear to members that the board is a governing board and that its job is to set the vision for the organization.

Behavior: Tells Lies

Definition: When a director makes blatantly false statements or purposefully misleads other members of the board with intent to deceive.

Impact: Dishonesty in any context causes lack of trust that is rarely possible to reverse. In the boardroom, lying will not only counteract seemingly good decisions and cause missed opportunities, but it could compromise the integrity of the organization.

Solution Strategy: Now What?

The need for honesty should be common knowledge in any professional situation (or personal for that matter), especially when the success of an entire organization is at stake. Proper orientation could not have prevented this from happening—there is no ignorance or mistake to claim when being dishonest.

It is hard to conceive of any other outcome than removing individuals who are caught in a lie. Each board should have a well-crafted clause in the bylaws that includes removal for dishonest behavior.

Inefficient Board Discussions

The following behaviors divert the attention of the board's discussions during meetings and display an inability or unwillingness to take part in an informed debate. There is a continuum of board contribution as expected, board meetings can feel like a waste of time, or at the very least won't accomplish what could have been accomplished. Some or all of the following measures could be taken to prevent the behaviors from forming:

- All directors should have set term limits for their service (or at the very least, for the evaluation of service prior to renewal). If anything, this will mean there is an end date in site for difficult behavior.
- Governance committee members should be particularly aware during initial conversations with a prospective director. If someone is not a good listener in an interview or informal introduction, chances are he/she won't be in the boardroom either.

Some of the following behaviors suggest more specific preemptive solutions and all will require additional action.

Behavior: Is High Maintenance

Definition: When a director expects constant and sometimes inappropriate attention, including unsuitable demand for staff support.

Impact: The high-maintenance director can be simply a nuisance or a real hindrance. He/she can interrupt the focus of meetings, create an uneven team environment, be energy-draining for other directors and staff, and interrupt workflow and internal order.

Solution Strategy: Now What?

Because boards are made up of all kinds of people with many different characteristics and idiosyncrasies, sometimes this is the price one pays. Potential for this kind of behavior may not become apparent until it presents itself (in other words, it may be unavoidable). And, when the community is small, and there are only so many board candidates to pick from, it's almost impossible to find a director without flaws.

Behavior: Monopolizes Conversations

Definition: When someone feels compelled to offer his/her opinions on every subject, leaving no room for others to speak; and/or, when the individual feels it necessary to recap every discussion.

Impact: The director who monopolizes conversations is more than just irritating to the rest of the group. As seen in other behaviors, these actions prevent others from contributing to brainstorming, strategic discussions, or intense deliberations, which leads to weakened decision making and diminishes the value of the rest of the board's insight and expertise. This troublesome director's voice also becomes compromised in

the end. Even when he/she has something good to offer, it gets tuned out by the rest of the group who is tired of dealing with someone who thinks his/her opinion is more valuable.

Solution Strategy: Now What?

It is the board chair's role to control this kind of behavior. In dealing with one director who uses up all of the "talking time," the board chair needs to start out by having a one-on-one conversation with the person. He/she may not realize that this behavior has become troublesome to the rest of the board. More than anything, the director may think he/she is being helpful by restating other's thoughts in clearer language or by contributing what he/she believes to be great insight from relevant experience. If the board chair approaches the issue delicately, and brings specific examples to the conversation in order to clearly illustrate the behavior and its effects, the director may be open to suggestions for change and, at worst, be a little bit embarrassed.

If the director has trouble grasping the problem, the board chair may need to run meetings a little differently and force the entire group to follow stricter procedures during meeting time. Each person may be required to "pass the torch" after a specific amount of time, and the next person may only speak once the torch is in his/her hand. The board chair may need to take responsibility for moderating each turn if the torch ends up back in the same hand over and over again.

In an effort to remind the group of the importance of "hearing" what others have to say and making room for equal contribution, the board chair could also facilitate board development sessions on the subject of active listening. Active listening is listening in a reflective way, which indicates an attempt to understand what another person is saying. It uses the process of paraphrasing back to clarify what someone has said or to assist someone else in understanding the correct message, context, or intent.

Behavior: Sits Silently

Definition: When a member of the board fails to voice his/her opinions or contribute to group discussions in any way.

Impact: This person was obviously brought on board for a good reason. When the director does not participate, the rest of the board misses out on his/her potentially valuable knowledge and insight. In the rare occasion that this director does speak up, his/her voice may be too quickly overlooked or dismissed. Ultimately, a silent director is taking the place of someone else who could be more active on the board.

Solution Strategy: Now What?

There are many possible reasons for a director's hesitation to speak out during board meetings. This person may feel any of the following:

- Insecurity or discomfort when speaking in public.

- The contributions of others are more worthwhile than his/her own.
- Everything that should be said has already been said already.
- Others are dominating the discussion to such an extent that the person doesn't want to compete.

It may be beneficial for the board chair to have an informal, one-on-one conversation with the quiet director—just to be sure there aren't any deeper problems or concerns. If this person is holding back due to dominating directors in the room or a big-picture concern regarding the board or organization as a whole, it's necessary for the board chair to know what the issues are and do something about them. If, however, it is a matter of shyness or passivity, the board chair should reassure the director that his/her contribution is absolutely necessary, wanted, and valued, and then find ways to draw participation out of each and every director. Simple presence is not enough in the boardroom.

The board chair could and should make it a point to require group discussion at each meeting, literally going around the room and asking each person to share thoughts, concerns, or suggestions.

The Troublesome Board Chair

What happens if the troublesome behavior is coming from the board chair? First, it may be more difficult to recognize the behavior since the board chair is facilitating the group process. Board chair problems come in two varieties:

- The board chair cannot run meetings effectively or interact with people appropriately (but somehow got voted into the position); and/or
- The chair displays any of the previously discussed director behaviors, which makes it extremely challenging since no one is in an obvious position to confront him/her.

Food for Thought

"There is no one right style of leadership. At the end of the day, the winning chair is the one who ensures board integrity and maintains focus on achieving the mission of the organization."

– Anne Powers, Founder and Managing Partner
The White Hawk Group, Washington, DC

Overall, a troublesome board chair usually lacks leadership and fails to properly manage the board process. Over and over again throughout this section, it is crystal clear that the troublesome behaviors of a director must be dealt with by the board chair. When the board chair fails to provide this necessary leadership and active management, troublesome behaviors are bound to develop in others as well.

Often, the individuals who assume the board chair position as a leader of leaders may not have the experience to actually lead a group/team process. Does the board have a standard practice when grooming directors for leadership or vetting external candidates for officer positions? As part of the necessary succession planning and board development activities, a new board chair will be better prepared if provided with written resources in advance of the time he/she assumes the role. In addition, he/she may seek out learning or other professional development activities and ask the outgoing or immediate past chair to provide mentoring for a specific period of time.

Depending upon the nature of the troublesome behavior and whether there is a consistent pattern, it will be up to the executive committee or the governance committee to lead the intervention. Putting the chief executive in the uncomfortable position of dealing with a board chair's behavior is inappropriate and inadvisable, and simply is not his/her role to do so. If the governance or executive committee has been tasked (as it should be) to lead board assessment—of individuals and the group—it will make the most sense for recommendations regarding a troublesome board chair to come from that committee.

One thing is for sure: These difficult conversations should not be one-on-one. A receiver attaches greater credibility to a small group of interveners than a single person. If the intervention is made by one intervener, it can be easily rationalized away by the receiver. And, if there is any unpleasant exchange or threatening behavior, there are no other witnesses present.

Sometimes, the board chair may take his/her position as a leader too far, abusing the power of authority over the rest of the board and/or confusing his/her role with that of the chief executive. Situations like this may necessitate additional intervention by an external consultant to attempt to mediate an understanding and coach the board chair in his/her as board *leader*, not board "boss" or staff manager. This is an expense the organization may not be willing to take (and, as some may think, should not have to) but if a domineering board chair is in the beginning of his/her term, the only choices would be to terminate the chair or live with it. Living with it for an extended period of time may do the entire organization a great deal of permanent harm. Termination would mean either asking the board chair to resign or potentially facing an ugly battle for which the basis of termination may be called into legal question. When this is the case, keeping documentation when issues arise and having appropriate language in the bylaws for the removal of a director become absolutely critical.

While the definitions of leadership are endless, in Robert H. Rosen and Paul B. Brown's book, *Leading People*, they identified eight principles of successful leaders. A board chair should help to inspire the board team to develop **vision**. He/she should lead by example by having and earning **trust**. The board chair actively ensures **participation** by all through proper facilitation of meetings and other board processes. By helping to create a **learning** culture, the board chair will ensure that a governance committee exists and that its work will embrace continuing education, including board knowledge,

enhancement and skill development. The board chair will work hard to ensure that the board values and embraces the appropriate and needed **diversity** for mission fulfillment. He/she will challenge the board and staff as a whole to be **creative** in problem solving. Leading by example, the board chair will embody **integrity** and demand it of others. And, above all, by acknowledging that he/she is not only leading but also an active part of a team in serving a constituency, the board chair will take a stand in building **community**.

In the recruitment process or leadership succession planning phase, the governance committee needs to be mindful of specific objectives when considering a new chair of the board. Board chairs are most effective when they have the ability to:

- Get along with and motivate a wide variety of people.
- Command respect from the rest of the team.
- Be confident in addressing troublesome behaviors.
- Facilitate the team process and lead it to group decision-making.
- Listen.

All directors should be aware of the leadership and management qualities necessary for an effective board chair. When one or more of these qualities is compromised (or missing altogether) and result in troublesome behavior, other members of the board must have the courage to take necessary action. It is important to remember that leadership is a vested process. No one can be a leader unless it is with the consent of the group he/she is leading.

Dealing with a Troublesome Chief Executive

Theoretically, the board has done due diligence in recruiting, interviewing, and onboarding the right candidate to serve as the chief executive. There are many factors to take into consideration and excellent resources to assist a board with this important task.

As with the troublesome board chair, the real trouble arises when the chief executive displays the behaviors discussed earlier or misunderstands his/her role of power. Other signs of a troublesome chief executive might include:

- subordination
- lack of appreciation or use of board support
- poor working relationship with the board chair
- unresponsiveness
- withholding information
- excessive staff turnover

- dwindling contributions or earned income
- ineffective public relations

In many cases, the chief executive is running the board process instead of the board running the board process. The board chair and the chairs of each committee should run their respective meetings. The chief executive and other appropriate staff actively contribute to the development of board meeting agendas and provide support for the process, but board meetings are not the responsibility of the staff. The number one sign of a major problem is if the board chair and the chief executive are not working together, not even on the meeting agendas.

Decisions made by the board should be decisions of the entire group. The chief executive may prepare the information for consideration and will often be part of the decision-making process or the discussions leading up to the decision, but ultimately it requires the consensus of the board.

However, given all of the above, boards cannot have performance, behavioral, or goal-oriented expectations of the chief executive unless those expectations have been communicated. The ongoing measurement of these expectations and prevention or discovery of troublesome behaviors is done through a formal, annual chief executive assessment process. If a chief executive is troublesome, the board has failed to fulfill one of its most important governance responsibilities.

Food for Thought

“The main objective of the assessment process is to encourage self-discovery, professional development, and performance improvement. Personal and professional growth is challenging for all of us. After completing the assessment process and preparing an action plan for the chief executive’s development, the board must actively support the chief executive over the next year as he/she works to implement the action plan.”

– BoardSource

Conducted properly, an assessment will indicate if there are behavioral issues that need to be addressed. If this is the case, the board may ask the chief executive to work with a development coach consultant (at the organization’s expense upon the board’s choosing of a coach). The coach will gather information regarding the chief executive’s behaviors and performance—often through a 360 analysis, direct report input, peer input, or other self-awareness tools. The chief executive and the coach should clarify together the behaviors and issues to be discussed and improved, creating a set of deliverables. The coach’s role is to help the chief executive understand that this is a “reality check,” asking for answers to the following questions: Do you hear what others are saying? Can you make the needed changes? If so, how are you going to make these

changes? If others do not see improvement during the coaching period, the troublesome behaviors or flawed performance simply may not be coachable.

Additionally, having a set time for closed executive session at every board meeting is extremely valuable. If it is done regularly, without the chief executive, then it provides a natural and nonthreatening forum for introducing sensitive subjects. Directors have an opportunity not only to informally discuss the chief executive if needed, but also to bring up peer-to-peer issues privately, apart from the staff. Unfortunately but realistically, this is also the time to remember and assert the fact that the board is the chief executive's boss. If directors are unhappy with performance and/or are not able to govern the organization because of a troublesome chief executive, it is up to them to make necessary change and turn things around before troublesome become dangerous.

Again, the most important job of the board is to ensure that the organization has strong and effective staff leadership. The hiring of the chief executive, his/her annual assessment, and effecting changes when necessary must be embraced by the board. Ignoring this fundamental responsibility will put the organization in jeopardy.

Conclusion

“Board participation takes a real commitment: a commitment to give of yourself, a commitment to listen, a commitment to allow others to give what and when they can, and a commitment to action. So often we spend [so much] time judging the contribution of fellow directors that we forget to look at ourselves. We must be positive and believe that the organization will be better because we took the time to ensure that it would be so. Be comfortable with the reasons you joined a board, make a difference, give all that you can, and move on to make space for others!”

– Carolyn Coleman, President, Board of Directors
The Dwelling Place, Gaithersburg, MD

GOOD GOVERNANCE IN MEETING THE DUTIES OF DIRECTORS OF NONPROFITS

Various jurisdictions in Canada and the United States have been looking at developing tougher corporate governance laws since the collapse of Enron and Worldcom. Accountability requires good governance from the nonprofit and charitable sector as much or more than in the for-profit sector. In the for-profit sector, corporations are primarily accountable to their shareholders for the ability of the corporation to return a profit. In the nonprofit and charitable sector, however, organizations are accountable to their members as well as to the general public. This summary outline examines the role of good governance in achieving accountability to a nonprofit and charitable corporation's members, stakeholders, and the public.

What does "Good Governance" Mean?

Governance is not the same as "Good Governance"

- "Governance" in the voluntary sector means "the processes and structures that an organization uses to direct and manage its general operations and program activities."
- It includes the "structures, functions (responsibilities), processes (practices) and organizational traditions that the board of an organization uses to ensure accomplishment of the organizational mission."
- "Good Governance" means achieving desired results and achieving them in the right way, i.e., in ways that are consistent with the normative values of democracy and social justice.

Characteristics of "Good Governance"

In 1997, the United Nations published a list of characteristics of good governance, which includes:

- Participation in decision making and reaching broad consensus on what is in the best interest of the organization
- Accountability and transparency
- Responsive, effective and efficient performance
- Equity and sound rule of law
- Strategic planning

Elements of "Good Governance"

- **Vision:** envisioning the future and developing a corporate mission that will be flexible and responsive to possible future challenges and opportunities
- **Direction:** setting goals for the corporation
- **Resources:** securing resources to achieve the desired results and realize the corporation's vision and goals

- **Monitoring:** periodically reviewing the relationship between the corporation’s resources and its vision and direction, ensuring that the organizational vehicle is well-maintained and progressing, within legal limits, towards its destination
- **Accountability:** ensuring efficient use of resources and reporting progress and detours to the corporation’s stakeholders

How to Achieve Good Governance

Good governance is the responsibility of the directors, who have the duty and power to manage the affairs of a corporation. The key for the directors achieving good governance is the exercise of due diligence. In order to exercise due diligence, directors must be familiar with and understand the governing documents of the corporation, its objects and activities, and its financial position. The directors must also understand the statutes, regulations and policies under which the corporation operates and be familiar with the regulators who have jurisdiction over the corporation. Good governance also includes being aware of and taking a pro-active approach in the following areas.¹

Mission and Strategic Planning

- Directors are responsible for developing and carrying out the mission of the corporation, which includes determining the organization’s vision and direction as well as ensuring the availability of resources. In carrying out their duties, the directors must fulfill their duty to ensure that the corporation act within the authorized powers of the corporation.
- The organization’s mission statement and organizational goals must be consistent with the law and within the corporation’s authorized powers, including, but not limited to:
 - the organization’s constitution
 - the corporate by-laws
 - the Joint Powers Board Agreement
 - federal and provincial legislation
 - other restrictions
- Directors should undertake a periodic review of the corporation’s mission and strategic plan to ensure that they are compatible with the organization’s vision, direction, and resources, as well as in compliance with the law.

Transparency and Communication

- Directors are responsible for communicating to members, stakeholders and the public about the affairs of the corporation.
- In order to ensure effective communication, the board should:
 - establish policies for communication and feedback

¹Report by the Panel on Accountability and Governance in the Voluntary Sector, entitled “Building on Strength: Improving Governance and Accountability in Canada’s Voluntary Sector,” February 1999

- establish a code of ethics for the board
- establish a complaint and grievance procedure
- meet regularly
- keep proper minutes and corporate records
- respond appropriately to requests for information
- develop a privacy policy
- Effective communication from the board to its members, stakeholders and the public and the establishment of appropriate means for the latter to be heard will ensure the ability of the board to respond to appropriately to issues that may arise and to evaluate the corporation’s mission and goals.

Organizational Structures

- Directors must develop appropriate structures for the organization that will enable it to achieve its vision.
- Developing an organizational structure includes deciding whether to incorporate or to carry on as an unincorporated association.
- No single structure is appropriate for all organizations; each organization is different and its structure may change over time.
- Depending on what organizational structure is deemed appropriate, the directors and chief executive must produce the documents which determine the organization’s structure, objects and authority, such as:
 - constitution
 - bylaws
- Directors must ensure the proper and legal approval of:
 - directors’ resolutions
 - members’ resolutions
 - external approvals, e.g. proper incorporation
- In order for the structure of an organization to be effective, the directors must develop proper and legal procedures for directors and members meetings
- A corporate audit committee is a useful and important means to help ensure that the directors’ duty to comply with the statutory and common law are satisfied by reviewing the structure of the corporation at regular intervals and reporting on whether the organization is in compliance with the laws, rules, regulations, etc., and whether the management, information and control systems are in place to carry out these laws.

The Role of the Board

- In addition to understanding the corporation’s goals, structure, and activities, directors must understand the role of the board and their duties as directors
- Directors should develop a board governance policy and a code of conduct for board members to give the directors guidance for how to proceed under various circumstances that might arise and ways in which the directors may discharge their duties.

- The board should develop a conflict of interest policy to assist the directors to discharge their duty to avoid conflict of interests so that expectations of directors in the event of conflict of interest are clear both to the directors themselves, to members or other stakeholders, or to the public.
- Directors need to ensure their continuous education with regard to the activities of the corporation, relevant legislation, and the industry within which the organization operates.

Fiscal Responsibility

- Fiscal responsibility is a very important part of ensuring that a corporation can meet its goals and objectives.
- Even though the chief executive is responsible for running the day-to-day operations of the corporation, the directors are ultimately responsible for establishing and maintaining fiscal responsibility in order that the directors may discharge their duty to manage and protect the assets of the organization.
- Directors, in conjunction with the chief executive, must establish a budget, monitor and control expenditures, and maintain proper accounting books and records.
- Directors and the chief executive must prepare and audit the financial statements of the corporation.
- Directors must exercise proper management of the assets of the corporation, investing them appropriately if necessary.

Human Resources

- Directors and the chief executive should ensure that an effective management team is in place and providing oversight of human resources.
- Effective management of employees includes:
 - ensuring compliance with employment legislation and workplace safety regulations
 - establishing policies and procedures for the day-to-day operations of the corporation and for certain extraordinary circumstances that might arise
- Establishing an employee handbook with sound policies and procedures, supervision of volunteers, and especially screening potential volunteers.

Implementing Assessment and Control Systems

- Directors and the chief executive should establish a framework of internal regulation, including a code of ethical conduct and policies on various areas of concern, to give management and employees guidance on how to handle issues that might arise. This would assist the directors to fulfill a number of their duties, such as the duty of honesty, the duty of loyalty, and to act in the best interests of the organization, etc.
- Establishing periodic review and audit procedures for the corporation's policies and assessment and control systems will enable a pro-active approach to emerging issues and challenges or to changes in the legislative or operating environment of the corporation.

Planning for the Succession and Diversity of the Board

- One of the main benefits of incorporation is longevity; a corporation is not contingent on the availability or capacity of its members.
- In appointing new directors it is important to ensure the diversity of the board, making sure that the directors bring a variety of useful and relevant expertise to the operations of the corporation.
- New directors need to be given appropriate orientation to the organization and its governing documents, structure, and activities, as well as the duties of directors.
- Existing directors need to be continually reminded of their duties, as well as to keep up-to-date with changes in the law that is relevant to the operations and governance of the organization.

W-1114

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
CENTRAL MINNESOTA JOBS AND TRAINING SERVICES, INC.**

We, the undersigned, being the Chair and Secretary of Central Minnesota Jobs and Training Services, Inc., a corporation subject to the provisions of Chapter 317A Minnesota Statutes, known as the Minnesota Nonprofit Corporation Act, do hereby certify that the following Articles of Incorporation were duly adopted at a meeting of the Members of the Corporation and that such Articles shall supersede and take the place of the present Articles of Incorporation of Central Minnesota Jobs and Training Services, Inc.; that the Corporation shall be governed by Chapter 317A of Minnesota Statutes and the following Amended and Restated Articles of Incorporation were adopted pursuant to Minnesota Statutes 317A.

ARTICLE I.

The name of this corporation shall be: Central Minnesota Jobs and Training Services, Inc.

ARTICLE II.

The purpose of this corporation shall be:

- a. To establish programs to prepare youth and unskilled adults for entry into the labor force and to afford job training to individuals facing serious barriers to employment, who are in special need of such training to obtain productive employment;
- b. To provide policy guidance for, and exercise oversight with respect to, activities conducted by the local Workforce Centers in partnership with the units of local government within the workforce service area and with the Commissioner of Economic Security;

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- c. To enter into contractual agreements to provide other related employment and training programs which complement the Workforce Investment Act of 1998 and to provide policy guidance and exercise oversight with respect to the activities under such agreements; and
- d. To form partnerships with job service and training providers to tailor programs to local conditions and opportunities through joint planning and collaboration, and to improve access to services for job seekers and employers by establishing Workforce Centers which create unified delivery systems avoiding duplication of services.

The Corporation is organized exclusively for charitable, educational, religious, or scientific purposes within the meaning of Section 501(c) (3) of the Internal Revenue Code.

ARTICLE III.

This Corporation shall not afford pecuniary gain, incidentally or otherwise, to its members.

ARTICLE IV.

The period of duration of corporate existence of this Corporation shall be perpetual.

ARTICLE V.

The location of the registered office of the Corporation in this state is:

106 Pine Street
Monticello, MN 55362

ARTICLE VI.

The name and address of each of the original incorporators is:

<u>Name</u>	<u>Street or Post Office Address</u>
Harold Birkeland	1111 Highway 25 North Buffalo, MN 55313

ARTICLE VII.

Neither the Directors nor Officers of the Corporation shall be personally liable for any obligations of the Corporation of any nature whatsoever, nor shall any of the property of the Directors or Officers of the Corporation be subject to the payment of the obligations of the Corporation to any extent whatsoever.

ARTICLE VIII.

No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its members, trustees, officers or other private persons except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered.

ARTICLE IX.

No substantial part of the activities of the corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation and the Corporation shall not participate in or intervene (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

ARTICLE X.

Notwithstanding any other provisions of these articles, the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal Income Tax under Section 501(c) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law) or (b) by a corporation,

contributions, to which are deductible under Section 170(c) (2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law)

ARTICLE XI.

Upon the dissolution of the Corporation, the Board of Trustees shall, after paying or making provisions for the payment of all of the liabilities of the Corporation, dispose of all the assets of the Corporation exclusively for the purposes of the Corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall, at the time, qualify as an exempt organization or organizations under Section 501(c) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), as the Board of Trustees shall determine.

Any such assets not so disposed of shall be disposed of by the District Court in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE XII.

The corporation shall not have capital stock.

IN TESTIMONY WHEREOF, we have hereunto subscribed our names

on February 11, 2000.

[Signature]
Chair

[Signature]
Secretary

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED

NOV 19 2002

[Signature]
Secretary of State

CENTRAL MINNESOTA JOBS & TRAINING SERVICES, INC.

AMENDED & RESTATED BY-LAWS

I, the undersigned, being the Secretary of Central Minnesota Jobs and Training Services, Inc., a corporation subject to the provisions of Chapter 317A Minnesota Statutes, known as the Minnesota Nonprofit Corporation Act, do hereby certify that the following By-Laws were duly adopted at a meeting of the Members of the Corporation and that such By-Laws shall supersede and take the place of the present By-Laws of Central Minnesota Jobs and Training Services, Inc.; that the Corporation shall be governed by Chapter 317A of Minnesota Statutes and the following Amended and Restated By-Laws were adopted pursuant to Minnesota Statutes 317A.

ARTICLE I

Name

The name of the organization shall be Central Minnesota Jobs and Training Services, Inc., hereinafter called the Council or the Workforce Investment Board (WIB), interchangeably.

ARTICLE II

Authority

The Council shall be established in accordance with the provisions of Section 117, Public Law 105-220, the Workforce Investment Act of 1998 (hereinafter called WIA), which mandates Local Workforce Investment Boards for every Workforce Service Area be established and in accordance with Minnesota Statutes Chapter 116L creating local workforce councils.

ARTICLE III

Purpose

The purpose of the Council shall be:

- a. To establish programs to prepare youth and unskilled adults for entry into the labor force and to afford job training to individuals facing serious barriers to employment, who are in special need of such training to obtain productive employment;
- b. To provide policy guidance for and exercise oversight with respect to, activities conducted by the local Workforce Centers in partnership with units of local

government within the workforce service area and with the Commissioner of The Minnesota Department of Employment and Economic Development (DEED).

- c. To enter into contractual agreements to provide other related employment and training programs which complement WIA and to provide policy guidance and exercise oversight with respect to the activities under such agreements;
- d. To form partnerships with job service and training providers to tailor programs to local conditions and opportunities through joint planning and collaboration, and to improve access to services for job seekers and employers by establishing Work Force Centers which create unified delivery systems avoiding duplication of services.

The Council is incorporated exclusively for charitable purposes within the meaning of Section 501(c)3 of the IRS Code.

ARTICLE IV

Office and Staff

The office of the Council shall be in the Workforce Service Area, located by the Council. The staff shall be as defined by the Council as needs require.

ARTICLE V

Area Served

The Council will serve the 11 counties comprising the Minnesota Workforce Service Area #5, which are: Chisago, Isanti, Kanabec, Kandiyohi, McLeod, Meeker, Mille Lacs, Pine, Renville, Sherburne and Wright.

ARTICLE VI

Membership

Section A. Membership on the Council shall be in accordance with Section 117(i) of the WIA and Minnesota Statute Section 116L.666, Subdivision 3:

- 1. Representatives of businesses in the local area, who shall constitute a majority of the membership of the council, and who shall be owners of businesses, chief executives or operating officers of businesses, and other business executives or

employers with optimum policy making or hiring authority; represent businesses with employment opportunities that reflect the employment opportunities of the local area; and are appointed from among individuals nominated by local business organizations and business trade associations.

2. The remaining membership shall be comprised of:
 - a. At least one member representing each of the following categories:
 - (i) Representatives of **local educational entities**, including one representative from a post-secondary educational institution (including community colleges, technical colleges, or universities, where such entities exist) or local school districts and one representative providing adult basic education and literacy activities, in accordance with Minnesota Statute Section 116L.666, Subdivision 3, (at least two members);
 - (ii) Representatives of **labor** organizations (for a local area in which employees are represented by labor organizations), nominated by local labor federations, or (for a local area in which no employees are represented by such organizations), other representatives of employees (at least two members);
 - (iii) Representatives of **community-based organizations** (including organizations representing individuals with disabilities and veterans, for a local area in which such organizations are present) (combined membership of labor organizations and community-based organizations must equal at least 15% of the members);
 - (iv) Representatives of **economic development** agencies, including private sector economic development entities;
 - (v) Representatives of **rehabilitation** agencies;
 - (vi) Representatives of **public employment services**; and
 - (vii) Representatives of **public assistance** agencies;
 - b. **Joint Powers Board officers.** The Joint Powers Board officers shall attend the Council meetings with one vote shared among the three members.

3. Members of the Council that represent organizations, agencies, or other entities shall be individuals with optimum policy making authority within the organizations, agencies, or entities.
4. Special consideration must be given to the entities identified in 2.a.(i), (iii), and (iv) above in the selection of members representing those categories.
5. Membership size shall not exceed 21 voting members.

Section B. Members of the Council shall be appointed by the Joint Powers Board (Chief Elected Officials).

1. Membership terms shall be fixed and staggered. Members shall be appointed to serve a term of two (2) years. Membership years shall run from July 1 through June 30, of the following calendar year.
2. Should a vacancy occur during the member's term, the Joint Powers Board shall be notified and appoint a new member to complete the term at the next Joint Powers Board meeting for which sufficient nominations have been received.
3. The Council may increase the number of members by a two-third vote of the Council to add additional members to an existing membership category or to add non-voting members. (Please note that grandfathered entity status would be lost if members were added to represent groups not previously represented on the Council.)
4. The Council shall elect a chair from among the representatives of business.
5. Council members' primary physical location of their business or permanent residence must be within the boundaries of WSA 5.
6. If a Council member retires during their term, or moves their business location or permanent residence outside WSA boundaries, they may serve out the remainder of their term, but according to compliance issues, may not be re-appointed to the Council.
7. A Council member may not serve on the board of another organization whose primary or secondary activity is related to the activities of the Workforce Investment Board or Central Minnesota Jobs & Training Services without prior approval of the Joint Powers Board.

Section C. Any member may resign from the Council by sending a letter of resignation to the Chair of the Council. The resignation will be effective when accepted by the Joint Powers Board. The resulting vacancy shall be filled according to Article VI, Section B in accordance with the resigned member's status or term.

Section D. Any member may be removed from the Council by the Council.

1. Any member who, in the view of the Council, is acting in violation of Public Law 105-220 may be dismissed by the Council by a two-thirds majority vote of members in attendance at the meeting, provided the members have been notified in advance of the pending action.
2. Any member who fails to attend three consecutive meetings of the Council may be removed from the Council by a majority vote of members in attendance at the meeting, provided the members have been notified in advance of the pending action.
3. Vacancies created by dismissal will be filled in accordance with Article VI, Section B.

Section E. No members may designate any person to act as an alternate. No proxies will be permitted.

Section F. When a member of the Council has a personal or private interest in a proposal or decision pending the Council, the member must publicly disclose the fact to the Council in an open meeting. A member should avoid even the appearance of a conflict of interest.

Specifically, the member may not:

1. Vote or participate in discussion on a matter under consideration by the Council
 - a. regarding the provision of services by such member (or by an entity that such member represents); or
 - b. that would provide direct financial benefit to such member or the immediate family of such member; or
2. Engage in any other activity determined to constitute a conflict of interest as specified in the local plan.
3. Use or attempt to use the appointment to secure benefits, privileges, exemptions or advantages for the member, members of his or her immediate family, or an

organization with which the member is associated which are different from those available to a member of their business classification, profession or organization.

If a member has publicly disclosed a potential conflict of interest and it is not possible to assign the matter to another member who does not have a similar conflict, interested parties shall be notified of the conflict, the matter shall be documented in the minutes, and the member may continue with the assignment.

Resolution of Conflict of Interest: If a member of the Council reasonably suspects that another member or members of the Council did not publicly disclose a potential conflict, the member shall take the following actions for the purpose of removing doubt concerning a potential conflict of interest:

1. Prepare a written statement describing the matter, action or decision on which a conflict is perceived to exist, outline the facts which give rise to the member's belief, and the reason or reasons thereof;
2. Submit the statement to the Council chair.

The Council chair will request staff assistance in determining if the issue can be reasonably resolved between parties or whether the conflict statement should be submitted to the Joint Powers Board (Chief Elected Officials) of the Workforce Service Area for an opinion and resolution. If the Joint Powers Board (Chief Elected Officials) determines that a conflict of interest exists, the matter shall be assigned to another member who does not have a conflict of interest. If it is not possible to assign the matter to a member who does not have a similar conflict of interest, interested parties shall be notified of the conflict, the conflict shall be documented in the minutes, and the member may proceed with the assignment.

ARTICLE VII

Officers

Section A. At the June meeting of each year, the Council shall elect a chair and vice-chair; the chair and vice-chair shall be chosen from among the members described in Article VI, Section A-1. Such officers shall take office on the following July 1.

Section B. At the June meeting of each year, the Council shall elect a secretary, treasurer and any other officer the Council deems necessary. Such officers shall take office on the following July 1.

Section C. Members may be re-elected to any office for as many terms as they are members of the Council in accordance with Article VI.

Section D. Any officer may be removed from office by a two-thirds vote of the Council at any time during the membership year.

ARTICLE VIII

Meetings

Section A. The Workforce Council meeting dates will be set annually by the Board of Directors, subject to the open meeting law.

Section B. Special meetings of the Council may be called by the Chair at his/her initiative or when two or more members request that the Chair call a meeting. Notice of such meetings may be given by mail, or personally, to each member at least three days prior to the special meeting. An exception to the time requirement can be made in emergency situations. A conference telephone meeting may be considered a special meeting. Action which may be taken at any regular meeting may also be acted upon at any special meeting.

Section C. All meetings of the Council shall be open to the general public.

Section D. A quorum for conducting Council business shall be adhered to. A quorum shall consist of 50% plus one of the current voting membership (filled voting positions).

ARTICLE IX

Objectives

The Council shall carry out the functions described in Section 117(d) of the WIA, Minnesota Statutes Section 268.666, and other appropriate employment and training agreements which complement those provisions.

Section A. The Council shall initiate, review and evaluate the strategic planning activities of Central Minnesota Workforce Service Area #5.

Section B. In accordance with the Workforce Service Area #5 Central Minnesota Jobs and Training Services, Inc. Joint Powers Board Agreement, the Council shall:

1. Review, monitor, and evaluate all activities carried out under WIA in Workforce Service Area #5.
2. Provide policy guidance as the Workforce Service Area 's Administrative Entity and Grant Recipient.

3. Determine procedures for the development and execution of the Workforce Service Area Plan.
4. Approve and submit a Workforce Service Area Plan (or The Local Unified Plan) for Workforce Service Area #5.
5. Establish guidelines for skill levels within skill training programs.
6. Select program operators for the WorkForce Centers.
7. Be responsible for joint planning and collaboration as well as on-site reviews and oversight of program performance.
8. Establish local priorities for services, target populations and target industries.
9. Assure non-duplication of services and a unified delivery within the WorkForce Center locations.

Section C. Nominate individuals to the governor for membership on the Governor ' s Workforce Development Council.

ARTICLE X

Youth Council

Section A. The Council, in cooperation with the Joint Powers Board, shall appoint a subgroup of the Council, and coordinate workforce and youth plans and activities with the Youth Council.

Section B. The membership of the Youth Council shall include:

1. Members of the Council, such as educators, employers, and representatives of human service agencies, who have special interest or expertise in youth policy;
2. Members who represent service agencies, such as juvenile justice and local law enforcement agencies;
3. Members who represent local public housing authorities;
4. Parents of eligible youth seeking assistance under subtitle B of title I of WIA;

5. Individuals, including former participants, and members who represent organizations, that have experience relating to youth activities; and
6. Members who represent the Job Corps, if a Job Corps Center is located in the Workforce Service Area.

Section C. The Youth Council may include other individuals, who the chair of the Council, in cooperation with the Joint Powers Board, determines to be appropriate.

Section D. Members of the Youth Council who are not members of the Council must be voting members of the Youth Council and nonvoting members of the Council.

Section E. The purpose of the Youth Council is to provide expertise in youth policy and to assist the Council in:

1. Developing and recommending local youth employment and training policy and practice;
2. Broadening the youth employment and training focus in the community to incorporate a youth development perspective;
3. Establishing linkages with other organizations serving youth in the local area; and
4. Taking into account a range issues that can have an impact on the success of youth in the labor market.

Section F. The Council, working with the Youth Council, is responsible for conducting oversight of local youth programs operated under WIA, to ensure both fiscal and programmatic accountability.

Section G. Local program oversight is conducted in consultation with the Joint Powers Board.

Section H. The Council may delegate its responsibility for oversight of eligible youth providers, as well as other oversight responsibilities, to the Youth Council.

Section I. The Youth Council is responsible for:

1. Coordinating youth activities in the Workforce Service Area;
2. Developing portions of the local plan related to eligible youth, as determined by the chair of the Council;

3. Recommending eligible youth service providers in accordance with WIA section 123, subject to the approval of the Council;
4. Conducting oversight with respect to eligible providers of youth activities in the Workforce Service Area, subject to the approval of the Council; and
5. Carrying out other duties, as authorized by the chair of the Council, such as establishing linkages with educational agencies and other youth entities.

ARTICLE XI

Open Meetings

The Council shall make available to the public, on a regular basis through open meetings, information regarding the activities of the Council, including information regarding the local plan prior to submission of the plan, and regarding membership, the designation and certification of one-stop operators, and the award of grants or contracts to eligible providers of youth activities, and on request, minutes of formal meetings of the Council.

ARTICLE XII

Committees

Section A. There shall be two types of Council Committees; Standing Committees, which shall be permanent; and Ad Hoc Committees which shall be established for a specified purpose and function and shall be dissolved upon completion of its purpose as determined by the Council.

1. **Standing Committees:** Standing Committees shall meet at the call of the respective Committee Chair. A majority of the officially appointed Committee members, in attendance of a called meeting, shall constitute a quorum. A quorum will be required for an official vote on any Standing Committee meeting. Committee chairs shall be elected by majority vote of the committee membership. Standing Committee Chairs and Vice-Chairs must be selected from appointed Workforce Investment Board or Council Members only.
 - A. **Executive Committee Structure:** This standing committee meets at least 10 days prior to each Workforce Investment Board (WIB) meeting and is authorized by the Council or WIB to make decisions for the Council, if necessary, in between the full Council meeting dates. The Executive

Committee is responsible for setting the agenda for the Workforce Investment Board or Council meetings and its Standing Committees; reviewing membership attendance; selecting guest speakers for the WIB meetings and ensuring Standing Committees are meeting their annual goals. The WIB Executive Committee include the officers of the Workforce Investment Board or Workforce Council; including the Chair, Vice-Chair, Secretary, and Treasure and the Chair of the Joint Powers Board (or if the JPB Chair is absent, he or she may appoint a fellow officer of the Joint Powers Board who currently resides on the WIB to attend the Executive Committee in his or her absence.) Additional members may also include the Chairs of the Standing Committees. Monthly meetings will be set annually, subject to the open meeting law. The Executive Committee has authority as delegated by the Workforce Investment Board and is subject to the direction and control of the WIB.

B. Central Minnesota Operations Advisory Committee Structure: The CMJTS Operations Advisory Committee will include the officers of the Workforce Investment Board or Workforce Council; including the Chair, Vice-Chair, Secretary, and Treasure and the Chair of the Joint Powers Board (or alternate JPB WIB member). Additional members may also include the Chairs of the Standing Committees. Monthly meetings will be set annually, subject to the open meeting law. The Operations Committee has oversight authority for the operations of Central Minnesota Jobs & Training Services, the non-profit workforce training organization.

2. **Ad Hoc Committees:** Ad Hoc committees and Task Forces may be formed by the Council for specified purposes to carry out Council responsibilities. Meetings of the Committee shall be at the call of the Committee Chair. A majority of the assigned Committee members shall constitute a quorum required for purposes of official votes. Ad Hoc Committees and Task Forces shall be dissolved by the Council upon acceptance of a final Committee or Task Force report.

Section B. Membership to the Council Committees shall be appointed by the Council Chair. When deemed necessary, Council Committees may request the Council Chair to appoint Standing Committee and Ad Hoc Committee Chairs and Vice-Chairs.

Section C. Committee and Task Force voting privileges shall be limited to Council Members appointed to the stated Committee; Task Force members appointed by the Council Chair; and may include the Council Chair's vote as a floating member (as identified in Article XII, Section E.)

Section D. Persons serving on Committees or Task forces need not be Members of the Council; however, the Chair and Vice-Chair of any Committee or Task force must be a Member of the Council.

Section E. The Workforce Investment Board or Council Chair has voting privileges on any and all Committees and Task Force Committees when present. The Council Chair has the option to float between Standing Committees and Task Force Committees and reserves the right to vote on her or his behalf and in place of missing members if a quorum is needed.

ARTICLE XIII

Reimbursement

Eligible Council members may be reimbursed for expenses incurred as a result of official Council business provided that:

1. Required forms and/or receipts are submitted with request for payment.
2. Requests relate to expenses directly attributable to an official activity of the Council and;
3. Members are not eligible for reimbursement from the respective organization that they are representing. Reimbursement of expenses shall be made in accordance with the prevailing rules and regulations of the State of Minnesota.

ARTICLE XIV

Affirmative Action

The Council shall require compliance from all service providers and participating entities in WIA programs to the Affirmative Action requirements set forth in applicable federal or state law, whichever are more stringent.

ARTICLE XV

Amendments

These By-Laws may be amended at any regular or special meeting by the affirmative vote of two-thirds (2/3) of the voting members (filled positions) provided that the members were notified two weeks in advance that the vote would be taken, and members were given a copy of the proposed change.

Adopted this this ____ day of _____, 20____.

Workforce Investment Board Secretary

Approval of this draft was adopted by the Central Minnesota Jobs & Training Services, Inc. Workforce Investment Board or Council this ____ day of _____, 20____.

Joint Powers Board Chair

Workforce Investment Board Chair

Chief Executive Officer of
Central Minnesota Jobs & Training Services

Minnesota WorkForce Center System
JOINT POWERS AGREEMENT
Under the Workforce Investment Act of 1998

THIS AGREEMENT, made and entered into this ____ day of _____, 2012, by and between the Board of Commissioners of the following counties of the State of Minnesota: Chisago, Isanti, Kanabec, Kandiyohi, McLeod, Meeker, Mille Lacs, Pine, Renville, Wright, and Sherburne (hereinafter referred to as participating County Boards) is as follows:

WHEREAS, Minnesota Statutes, Section 471.59 provides that two or more governmental units may by Agreement jointly exercise any power common to the contracting Parties; and

WHEREAS, the United States Department of Labor has made available funds for the training of unemployed/underemployed workers and youth, and,

WHEREAS, Block Grant Funds will be distributed by the State of Minnesota through its Department of Employment and Economic Development to support administration and provision of the Workforce Investment Act of 1998, and

WHEREAS, the participating County Boards desire to develop and approve the planning, coordination, and administration of training programs for unemployed/underemployed workers and youth under the Workforce Investment Act of 1998, and

WHEREAS, Central Minnesota Jobs and Training Services, Inc., serves as the Local Workforce Council (Workforce Investment Board), which through Minnesota Statutes, chapter 268 meets the requirements of the Workforce Investment Act to implement and oversee the administration of the Workforce Service Area, and

WHEREAS, the participating counties desire to avoid duplication of job training and employment services and create a unified service delivery system serving both job seekers and employers, and

WHEREAS, the United States Department of Labor has made available funds for the job training and retention of “hard to serve” Temporary Assistance for Needy Families recipients and associated non-custodial parents, and

WHEREAS, Block Grant Funds will be distributed by the State of Minnesota through its Department of Employment and Economic Development to support administration and provision of the Welfare-to-Work Program, and

WHEREAS, the participating County Boards desire to develop and approve the planning, coordination, and administration of job training and retention programs for the “hard to serve” Temporary Assistance for Needy Families recipients.

NOW THEREFORE, in consideration of the covenants and mutual agreements contained herein, and pursuant to the fore-going, the participating counties do hereby establish a Workforce Investment/WorkForce Center Systems Joint Powers Board (the "Joint Powers Board") having the composition, powers, and duties provided in this agreement as follows:

I. WORKFORCE INVESTMENT/WORKFORCE CENTER SYSTEM JOINT POWERS BOARD

A. **Composition**

The Joint Powers Board shall have the following composition:

One County Commissioner appointed by the County Board from each of its eleven counties. Each respective County Board shall make the appointments on an annual basis in January of each year. Each County Board may appoint an Alternate County Commissioner to the Joint Powers Board.

B. **Powers**

The Joint Powers Board shall possess all the powers and duties assigned by law, the Minnesota WorkForce Center System Non-Financial Agreement, and Minnesota Statutes 116J and 471.59 to:

1. Monitor the Joint Powers Agreement and its purpose of existence to the advantage of each county, the Act for which it was formed, and to exercise all powers, which may be necessary to enable it to perform and carry out its duties and responsibilities for the Minnesota WorkForce Center System.
2. Appoint or reappoint representatives to serve on the Central Minnesota Jobs & Training Services Board/Workforce Council (or the "Council"). It is desired that the members so appointed/reappointed will provide the following geographic distribution:

a. Representatives of Business:

Representatives from Private Business shall be selected from the three (3) development regions of 6E, 7W, and 7E to provide a total business representation of eleven (11) members to the Council.

Private Business membership shall be selected according to one of the following configurations:

- 4 from the 4 counties, development region 6E
- 3 from the 2 counties, development region 7W
- 4 from the 5 counties, development region 7E

OR

- 3 from the 4 counties, development region 6E
- 4 from the 2 counties, development region 7W
- 4 from the 5 counties, development region 7E
- OR
- 3 from the 4 counties, development region 6E
- 3 from the 2 counties, development region 7W
- 5 from the 5 counties, development region 7E

The Representatives of Business shall be selected by the Joint Powers Board from nominations made by general-purpose business organizations. Representatives of Business must constitute a majority of the members.

- b. One member representing each of the following categories. Members shall be selected in such a manner that at least one representative is from each of the three regions and no region has more than four representatives. The Joint Powers Board shall select membership from nominations submitted by all agencies/organizations in each respective membership category.
 - 1. education entities, including Adult Basic Education (at least two members)
 - 2. labor organizations (at least two members)
 - 3. community-based organization (combined membership of labor organizations and community-based organizations must equal at least 15% of the members)
 - 4. economic development agencies
 - 5. rehabilitation agencies
 - 6. public employment services
 - 7. public assistance agencies
 - 8. such other individuals or representatives of entities as the Joint Powers Board may determine to be appropriate
 - c. Three members of the Joint Powers Board who have been elected as its officers (the Chair, Vice-Chair, and Secretary). The three Joint Powers Board officers shall attend Council meetings with one vote shared among the three members.
 - d. Every effort will be made to see that each county in the Workforce Service Area have fair representation on the Council.
3. Enter into contracts necessary for the exercise of its duties and responsibilities to govern the Joint Powers Board. The Board may take such action as is necessary to enforce such contracts to the extent available in equity or at law. Contracts let and purchases made pursuant to this Agreement shall conform to the requirements applicable to contracts required by law (i.e. fiscal management, personnel management).

4. Obtain liability, property and auto insurance and may obtain such other insurance it deems necessary to indemnify the Board and its members for actions of the Board and its members arising out of this Agreement.

C. Operating Procedures

1. The Joint Powers Board shall elect from its membership a chair, vice chair, and secretary for the conduct of its affairs, who shall serve a two-year term. One officer shall be from each of the three regions.
2. Each county shall have one vote in the determination of all issues.
3. Times and places of regular and special meetings shall be fixed by the Joint Powers Board.
4. All meetings of the Joint Powers Board shall be conducted in a manner consistent with the Minnesota Open Meeting Law. Minnesota Statutes Section 471.705.
5. The Joint Powers Board shall work with the Council as required by law and the Minnesota WorkForce Center Non-Financial Agreement in the development and delivery of Workforce Investment Programs, WorkForce Centers and Welfare-to-Work Programs. The Joint Powers Board and the Council may jointly consider the establishment of advisory groups and/or task forces. These advisory groups may be formed on a regional or area wide basis in order to obtain more local input on the development and delivery of effective Workforce Investment Programs, WorkForce Centers, and Welfare-to-Work Programs. The membership of such groups will be determined by mutual agreement between the Council and the Joint Powers Board.
6. The books and records, including minutes and the original fully executed Agreement, of the Board shall be subject to the provisions of Minn. Stat. Ch. 13. They shall be maintained at the headquarters of the Joint Powers Board. Records, accounts and reports shall be maintained by the Secretary/Treasurer.
7. The Joint Powers Board will ensure strict accountability for all funds of the organization and will require reports on all receipts and disbursements made to, or on behalf of the Joint Powers Board.
8. **Employees, consultants, or independent contractors performing duties for the Joint Powers Board are not employees, consultants, or independent contractors of the constituent Counties, and no contract with the Joint Powers Board shall be deemed to authorize services on behalf of constituent Counties.**

II. INSURANCE AND RELATED PROVISIONS

A. **Governance Policy**

The Joint Powers Board shall adopt and maintain a governance policy establishing the insurance coverages and fidelity bonds that will be maintained in force and will provide copies of that governance policy to the constituent counties. Proposals to change the governance policy will be shared with constituent counties at least 30 days before adoption.

B. **Insurance Coverage Required**

The Joint Power Board shall obtain and maintain the required coverages from a qualified insurance carrier in accordance with the governance policy. In the event that procured liability coverage does not cover a particular act or omission, each individual member governmental unit shall not be individually liable unless required by law, in which case any such liability shall be apportioned equally amongst the member governmental units.

III. AMENDMENT

This Agreement may be amended only by the agreement of all participating counties by resolution of their County Boards of Commissioners. Notice of any proposed amendment must be provided to all participating county Boards of Commissioners at least 30 days prior to the effective date of the proposed amendment.

IV. TERMINATION

A. Any one participating county board may withdraw from this Agreement only on notice of an intention to withdraw delivered to the other participating county boards and the Commissioner of the Department of Employment and Economic Development not less than 60 days before the effective date of the withdrawal. The participating counties may terminate this agreement upon majority vote of all parties to the agreement.

B. If funding for this project terminates prematurely, the Joint Powers Board shall in an orderly and expeditious manner wind up and terminate its operations, taking care to terminate all operations in a way that avoids obligating the Joint Powers Board beyond its available resources.

1. As part of the windingup process for termination, the Joint Powers Board shall assure that arrangements are made for an appropriate audit.
2. The Board shall also make suitable arrangements to save and secure the records of the Joint Powers Board in compliance with Minnesota law.

V. DISPOSAL OF SURPLUS FUNDS OR PROPERTY UPON TERMINATION

- A. Upon termination of this Agreement, unexpended funds and property shall be disposed of in accordance with applicable law.
- B. It is anticipated that under applicable law, assets of the Joint Powers Board will be utilized to satisfy any obligations of the Joint Powers Board and to return any assets and funds to the appropriate state or federal agency. However, in the event that there are assets remaining which are not required for these purposes, those assets will be distributed equally amongst the member governmental units.

VI. INDEMNIFICATION AND HOLD HARMLESS

A. **Applicability**

The Joint Powers Board shall be considered a separate and distinct public entity to which the Parties have transferred all responsibility and control for actions taken pursuant to this Agreement. The Joint Powers Board shall comply with all laws and rules that govern a public entity in the State of Minnesota and shall be entitled to the protections of Minnesota Statutes Chapter 466.

B. **Indemnification and Hold Harmless**

1. The Joint Powers Board shall fully defend, indemnify and hold harmless the Parties against all claims, losses, liability, suits, judgments, costs and expenses by reason of the action or inaction of the Board and/or employees and/or agents of the Joint Powers Board. This Agreement to indemnify and hold harmless does not constitute a waiver by any participant of limitations on liability provided under Minnesota Statutes, Section 466.04.
2. To the full extent permitted by law, actions by the Parties pursuant to this Agreement are intended to be and shall be construed as a “cooperative activity” and it is the intent of the Parties that they shall be deemed a “single governmental unit” for the purpose of liability, as set forth in Minnesota Statutes, Section 471.59, subd. 1a(a); provided further that for purposes of that statute, each Party to this Agreement expressly declines responsibility for the acts or omissions of the other Party.
3. The Parties of this Agreement are not liable for the acts or omissions of the other participants to this Agreement except to the extent to which they have agreed in writing to be responsible for acts or omissions of the other Parties.

VII. EFFECTIVE TIME

This Agreement is effective for the time period beginning April 1, 2012 for youth services, and July 1, 2012, for adult services. **This agreement continues until terminated as provided in Article IV.**

IN WITNESS WHEREOF, the participating County Boards, by resolution, have caused this Agreement to be executed by their respective officers.

DATE: _____

COUNTY OF: _____

BY: _____
Chair, Board of County Commissioners

AND: _____
Clerk to the Board

WORKFORCE SERVICE AREA 5
CENTRAL MINNESOTA JOBS & TRAINING SERVICES, INC. and
JOINT POWERS BOARD PARTNERSHIP AGREEMENT

This Partnership Agreement is by and between:

The Central Minnesota Joint Powers Board (JPB), a joint powers board pursuant to Minnesota law, by and through the chief elected officials of the Counties of Chisago, Isanti, Kanabec, Kandiyohi, McLeod, Meeker, Mille Lacs, Pine, Renville, Sherburne, and Wright. (For the purposes of this agreement, it shall be referred to as the “JPB.”)

and

The Central Minnesota Jobs & Training Services, Inc. Council (also known as the Workforce Investment Board or WIB) serving Workforce Service Area 5. (For the purposes of this agreement, it shall be known as the “Council.”) The Central Minnesota Jobs & Training Services, Inc. (CMJTS, Inc.) is a nonprofit 501(c)(3). Therefore, the individual appointed members of the Council are titled the Board of Directors (hereafter referred to as the “Directors.”)

WHEREAS, the Counties of Chisago, Isanti, Kanabec, Kandiyohi, McLeod, Meeker, Mille Lacs, Pine, Renville, Sherburne, and Wright have established Central Minnesota Jobs & Training Services, Inc. under the provisions of Minnesota Law Section 117 (b) 2, and its Grandfather stipulations, to act on behalf of Workforce Service Area 5 under the Workforce Investment Act of 1998 (hereafter, referred to as “WIA” or the “Act”) and the regulations thereunder, and to establish a workforce investment board to develop workforce strategies to address local needs and provide oversight to One-Stop operators (or WorkForce Center partners) under the Act; and

WHEREAS, CMJTS, Inc. is designated by the JPB as the grant recipient and the administrative entity of Workforce Service Area 5. As such, CMJTS, Inc. assumes all powers, duties, liabilities, and responsibilities consistent with WIA and state and federal regulations promulgated thereunder, Minnesota Statutes, chapter 268.

WHEREAS, each partner to this agreement will provide the specific knowledge, expertise, and capabilities needed to affect reductions in unemployment, increase work productivity, provide skilled workers with productive jobs, and work with local businesses to identify workforce needs.

For the purpose of this agreement, the following definitions will control:

1. We hereby adopt the definitions as specified in the Workforce Investment Act of 1998, Public Law 105-220, and hereby incorporate said definitions into this agreement by references as if fully rewritten herein.
2. The term “grant recipient” means the entity that has the responsibility to ensure that funds are received and disbursed properly.
3. The term “administrative entity” means the entity to administer the proper training plan and that its responsibilities are limited to the implementation of the program according to the priority and resource allocation as determined by the approved plan.
4. The term “oversight” means reviewing, monitoring, and evaluating.
5. The “Titles” under WIA Law include the following One-Stop operators:
 - a. **Title I** is the Certified Employment and Training Partner in the Workforce Development System. The only Title under WIA with support funding to the WIB or “Council.”
 - b. **Title II** is the Education Partner, which includes post-secondary education entities and Adult Basic Education.
 - c. **Title III** is the Job Service Partner under the Wagner-Peyser Act.
 - d. **Title IV** is the Vocational Rehabilitation Act partner.
 - e. **Title V** is the Older Americans Act partnership (Senior Services).
 - f. **Title 38, USERRA** is the Veterans Employment & Training Services Partner.
6. The term “ex officio” means holding a position due to the power or influence of one’s office, and not by election or appointment. Such positions and their attached voting and other privileges are detailed in the bylaws of the organization.

WHEREAS, the U.S. Congress found that effective job training programs requires a partnership be established between business and local government and, therefore, mandated under Section 117 of WIA (WIA Pub. L. 105-220), that in each workforce service area of each state a workforce investment board be established to work in partnership with the chief elected officials, and

WHEREAS, Minnesota Statutes, chapter 268, establishes Local Workforce Councils, which meet the requirements of the Workforce Investment Act under Section 117 (i) Alternative Entity, and

WHEREAS, the parties desire to provide for a division of responsibilities regarding the creation and administration of the Minnesota WorkForce Center System, and

WHEREAS, the Council is the appropriate representative of business in the Counties of Chisago, Isanti, Kanabec, Kandiyohi, McLeod, Meeker, Mille Lacs, Pine, Renville, Sherburne and Wright pursuant to the Governor's certification on August 10, 1983, that the Council is composed and appointed consistent with the provisions of Section 117 of WIA, the Minnesota WorkForce Center System Non-Financial Agreement and Minnesota Statutes, chapter 268, and

WHEREAS, the JPB, consisting of the counties of Chisago, Isanti, Kanabec, Kandiyohi, McLeod, Meeker, Mille Lacs, Pine, Renville, Sherburne and Wright, is the appropriate representative of local government.

NOW THEREFORE, the Council and JPB agree to the following functions and responsibilities as delegated to each in accordance with the terms and conditions established by the agreement as follows:

I. JOINT RIGHTS AND RESPONSIBILITIES

The JPB and the Council shall exercise the joint rights and responsibilities described in the Act and Minnesota law, including, but not limited to the rights and responsibilities described below:

1. Develop the five-year local workforce investment plan (Local Unified Plan) and conduct oversight of the One-Stop System, youth activities and employment and training activities under Title I of WIA in partnership with the chief elected officials.
2. Approve and submit any modifications of the Local Unified Plan to the Governor.
3. Select One-Stop partner operators pursuant to Section 117 (d) of the Act.
4. Utilize the statewide employment statistics system pursuant to Section 15 (c) of the Wagner-Peyser Act.
5. Coordinate workforce investment activities with economic development strategies and develop employer linkages.

6. Promote private sector involvement in the statewide workforce investment system through effective connecting, brokering, and coaching activities through intermediaries such as the One-Stop operator in the local area or through other organizations, to assist employers in meeting hiring needs.
7. Enter into an agreement that describes the respective roles and responsibilities of the parties.

II. **THE JOINT POWERS BOARD RIGHTS AND RESPONSIBILITIES**

The JPB shall exercise the rights and responsibilities described in the Act and Minnesota law, including, but not limited to:

1. Request Workforce Service Area (WSA) designation by the Governor.
2. Determine the number and location of WorkForce Centers in WSA 5 in accordance with the Act and in partnership with the Governor of Minnesota.
3. Select grant recipient and administrative entity for Title 1B, as certified under the Act.
4. In accordance with the JPB Agreement, appoints directors to the Council.
5. Determine the number of directors on the Council.
6. Fill vacancies on the Council.
7. Remove directors of the Council with or without just cause.
8. Ensure that JPB and Council directors understand, support, and protect the State Grandfather provision, the CMJTS, Inc. Articles of Incorporation, the JPB Agreement, the JPB and CMJTS, Inc. Partnership Agreement, and the CMJTS, Inc. Bylaws.
9. Seat three JPB officers on the Council participating with one vote shared between the three. These individuals shall be the chair, vice chair, and secretary of the JPB.
10. Have fiduciary responsibility for the administrative entity/grant recipient, CMJTS, Inc., the agency appointed by the JPB.

11. Oversee policy decisions for the Workforce Investment System in Workforce Service Area 5 by the administrative entity.

III. **WORKFORCE COUNCIL RIGHTS AND RESPONSIBILITIES**

The Council shall have and exercise the rights and responsibilities described in the Act and Minnesota law in accordance with the agreements with the JPB, including, but not limited to the following:

1. Set policy for the WorkForce Center System.
2. Oversight of the programs conducted under the Local Unified Plan in accordance with procedures established by the JPB.
3. Develop a budget for the purpose of carrying out the duties of the Council, in accordance with the Local Unified Plan and submit the budget to the JPB for final approval.
4. Appoints members to the Youth Council and oversees Youth plans and activities of the Youth Council.
5. Solicitation and acceptance of grant funds.
6. Establish guidelines for the level of skills provided by skills and training programs.
7. Negotiate and reach agreement on local performance measures with the chief elected officials and the Governor pursuant to Section 136 (c) of the Act.
8. Request expenditures that may be needed to be made over and above the Local Unified Plan budget.
9. Assess the performance and evaluate the benefit, productivity, and impact of all programs of all WorkForce Center partners funded under all WIA Titles, as well as a review of all fiscal budgets and monitorings.
10. Carry out any regional planning responsibilities required by the state as part of the state-designated region.
11. Establish Local Service Priorities in the region.
12. Will, with the agreement of the JPB, enter into a memorandum of understanding with the WorkForce Center partners pursuant to Section 121(c)

of the Act, which describes the services to be provided through the WorkForce Center System.

13. Elect its own chair, vice chair, secretary, and treasurer annually.

IV. THE BYLAWS OF THE COUNCIL WILL PROVIDE FOR THE FOLLOWING MINIMUM CONSIDERATIONS:

1. The Council shall conduct its meetings according to the Open Meeting Law of the State of Minnesota.
2. The Council shall comply with the Data Practices Act of the State of Minnesota.
3. The Council shall include a conflict of interest and ethical standards clause.
4. The Council shall have no provision of alternates.
5. All directors must (a) reside in, or (b) be in a CEO role or senior decision-making authority position, or (c) be an owner of a business entity with its primary location in WSA 5. Those directors representing private business are subject to only (b) and (c) above.
6. Provisions shall be included for removal of a director with or without just cause.

V. GRANT RECIPIENT AND ADMINISTRATIVE ENTITY RIGHTS AND RESPONSIBILITIES

The grant recipient and the administrative agent of Title 1, under the direction of the JPB and the Council shall:

1. Support the chief executive who is responsible for the overall administration and management of CMJTS, Inc., including service programs, organizational strategy, business operations, and staff support to the JPB and CMJTS, Inc. Council/WIB and its committees. Areas of responsibility include planning and evaluation, policy development and administration, personnel and fiscal management, and public relations. The chief executive is directly accountable to JPB and the CMJTS, Inc. Operations Committee, which is chaired by the JPB chair. The chief executive also resides as ex officio on the JPB and the CMJTS, Inc. Council/WIB and its committees.

2. Have the authority and responsibility to prepare with One-Stop operators and submit the Local Unified Plan for Title 1 to the appropriate state or federal agency.
3. Be responsible for the allocation of funds and the eligibility of those enrolled in Title 1 programs.
4. Have responsibility to take action against its subcontractors, subgrantees, and other recipients to eliminate abuses in the programs they are carrying out and to prevent any misuse of funds by such parties.
5. Develop and maintain communications with local, state, and federal agencies involved with implementing the Act.
6. Provide at least quarterly One-Stop operator reports and reviews of program outcomes and status.
7. Provide staff to the JPB and Council, through the chief executive of the administrative entity.
8. Implement a grievance system.
9. Will provide reasonable notice to the consortium of counties, through the JPB of all programmatic, financial, and legal issues and problems that may arise in fulfilling its duties as grant recipients and administrative entity.

VI. MONITORING

For the purposes of organizational structure, the JPB shall monitor the actions and performances of the Council, and the Council shall monitor the performance of the One-Stop operator programs as the first line of reporting authority.

VII. AMENDMENTS

Either the JPB or Council may propose amendments to this agreement at any time by providing a thirty (30)-day written notice of any proposed amendments. Amendments to this agreement shall require 2/3 approval by both the JPB and the Council.

VIII. RESOLUTION OF DISAGREEMENTS

1. It is the joint authority and responsibility of the parties to this Agreement to ensure effective service delivery, which provides the most beneficial mix of

program services to eligible residents and employers. It is the shared responsibility and authority of the parties herein to engage the active, effective participation of all sectors of the community in the provision of job training services.

2. In the event that the Council and the JPB cannot reach mutual agreement on approval of the Local Unified Plan, as is required by the Act, representatives of the Council and the JPB shall meet to discuss areas of the disagreement. Unresolved issues on the Local Unified Plan shall be submitted to the binding arbitration of a five-member panel consisting of the chair and vice chair of the Council, the chair and vice chair of the JPB, and an impartial fifth representative acceptable to both the Council chair and vice chair and JPB chair and vice chair.
3. In any recommendation formulated by the Council for the funding of a specific contract, program, project, or activity funded pursuant to the Workforce Investment Act to which the JPB does not concur, final action shall be stayed until the next subsequent regular or special meeting of the JPB. In the interim, the chair and vice chair of both the Council and the JPB and the chief executive shall meet.

IX. DURATION OF PARTNERSHIP

This Agreement is effective for the time period beginning April 1, 2012 for youth services, and July 1, 2012, for adult services. This agreement continues until terminated as provided in Article IV of the Joint Powers Board Agreement.

For CMJTS, Inc. Council/WIB:

For Central Minnesota Joint Powers Board:

WIB Chair Date

JPB Chair Date

Attest:

CMJTS, Inc. Chief Executive Date

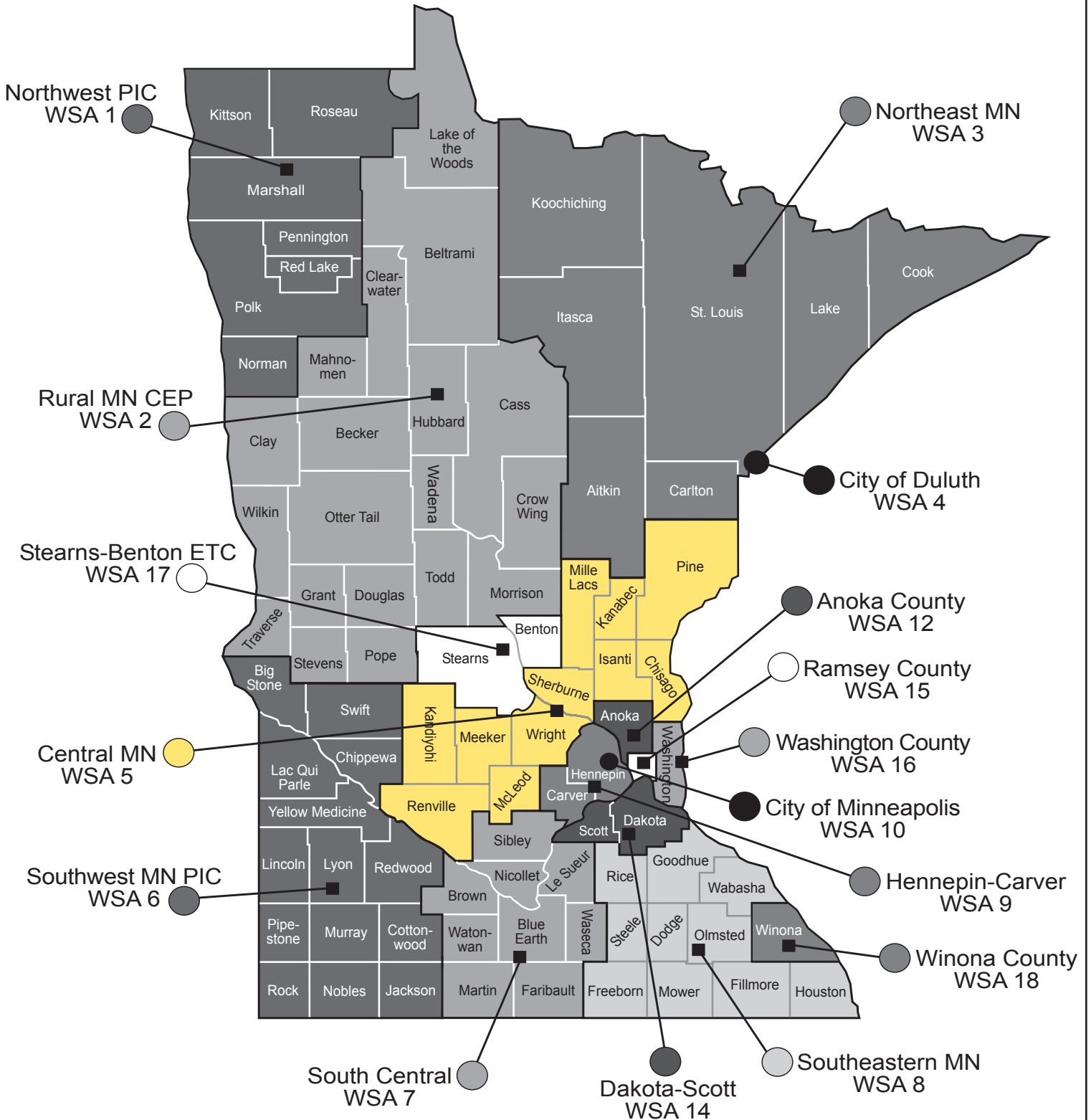
JPB Vice Chair Date

- WIA Title I-B Workforce Service Areas -

Programs conducted under WIA Title IB provide services to youth, adults and dislocated workers who need assistance to fully participate in the labor force.

For youth, programs provide year-round employment and training. The programs increase youth long-term employability by enhancing educational, occupational, and citizenship skills. Youth programs are designed to encourage high school completion, reduce welfare dependency and assist in making successful transitions from school to work, apprenticeships, the military or post-secondary training.

For adults and dislocated workers, the programs provide job training and other services resulting in increased employment and earnings. Among the services provided to adults and dislocated workers are: classroom training, on-the-job training, vocational and personal counseling, labor market information dissemination, and assessment.



- Workforce Investment Act (WIA) Title I-B Workforce Service Areas -

WSA 1. Northwest PIC

NORTHWEST PRIVATE INDUSTRY COUNCIL,
INC. / WORKFORCE COUNCIL

Amanda Grzadziewski – Executive Director

220 Pennington Avenue South – Suite B
Thief River Falls, MN 56701

Phone: 218.683.5460 (Fax: 218.683.5461)

TTY: N/A – Relay Service 800-627-3529

E-mail: agrzadziewski@nwpic.net

*Counties Served: Kittson, Marshall, Norman, Pennington,
Polk, Red Lake, Roseau*

Website: www.nwpic.net

WSA 2. Rural Minnesota CEP

RURAL MINNESOTA CONCENTRATED
EMPLOYMENT PROGRAM, INC.

Dan Wenner – Executive Director

803 Roosevelt Avenue
P.O. Box 1108

Detroit Lakes, MN 56502-1108

Phone: 218.846.7400

TTY: 218.846.0772

E-mail: danw@rmcep.com

*Counties Served: Becker, Beltrami, Cass, Clay, Clearwater,
Crow Wing, Douglas, Grant, Hubbard, Lake of the Woods,
Mahnomon, Morrison, Otter Tail, Pope, Stevens, Todd,
Traverse, Wadena, Wilkin*

Website: www.rmcep.com

WSA 3. Northeast Minnesota

NORTHEAST MN OFFICE OF JOB TRAINING

Michelle Ufford – Executive Director

820 North 9th Street – Suite 240

P.O. Box 1028

Virginia, MN 55792

Phone: 218.735.6173 (Fax: 218.741.5424)

NE Office Phone: 218.748.2200

TTY: N/A MN Relay: 7-1-1

E-Mail: michelle.ufford@nemojt.org

*Counties Served: Aitkin, Carlton, Cook, Itasca, Koochiching,
Lake, St. Louis*

Website: www.jobtrainingmn.org

WSA 4. City of Duluth

DULUTH WORKFORCE DEVELOPMENT

Donald Hoag – Manager

402 West 1st Street

Duluth, MN 55802

Phone: 218.730.5241 (Fax: 218.730.5952)

TTY: 218.730.5000

E-mail: dhoag@duluthmn.gov

Serves: City of Duluth

Website: www.mnwfc.org/duluth

WSA 5. Central Minnesota

CENTRAL MINNESOTA JOBS & TRAINING
SERVICES

Barbara Chaffee – Executive Director

406 – 7th Street East

P.O. Box 720

Monticello, MN 55362

Phone: 763.271.3715 (Fax: 763.271.3701)

TTY: 763.271.3745

E-mail: bchaffee@cmjts.org

*Counties Served: Chisago, Isanti, Kanabec, Kandiyohi,
McLeod, Meeker, Mille Lacs, Pine, Renville, Sherburne,
Wright*

Website: www.cmjts.org

WSA 6. Southwest Minnesota

SOUTHWEST MN PRIVATE INDUSTRY
COUNCIL, INC.

Juanita Lauritsen – Director

Minnesota Workforce Center

607 West Main Street

Marshall, MN 56258

Phone: 507.537.6987 (Fax: 507.537.6997)

TTY: 507.537.6237

E-mail: jlauritsen@swmnpic.org

*Counties Served: Big Stone, Chippewa, Cottonwood, Jackson,
Lac Qui Parle, Lincoln, Lyon, Murray, Nobles, Pipestone,
Redwood, Rock, Swift, Yellow Medicine*

Website: www.swmnpic.org

WSA 7. South Central

SOUTH CENTRAL WORKFORCE COUNCIL

Diane Halvorson – Director

706 N. Victory Drive

Mankato, MN 56001

Phone: 507.345.2408 SC Office: 507.345.2418

(Fax: 507.345.2414) TTY: 507-389-6512

E-mail: diane@workforcecouncil.org

*Counties Served: Blue Earth, Brown, Faribault, Le Sueur,
Martin, Nicollet, Sibley, Waseca, Watonwan*

Website: www.workforcecouncil.org

WSA 8. Southeastern Minnesota

WORKFORCE DEVELOPMENT, INC.

Randy Johnson – Director

1302 – 7th Street NW

Rochester, MN 55901

Phone: 507.252.6524 (Fax: 507.292.5173)

TTY: 507.280.3584

E-mail: rjohnson@wfdi.ws

*Counties Served: Dodge, Fillmore, Freeborn, Goodhue,
Houston, Mower, Olmsted, Rice, Steele, Wabasha*

Website: www.workforcedevelopment.ws

WSA 9. Hennepin / Carver

HENNEPIN COUNTY COMMUNITY WORKS AND TRANSIT

Ron White – Director

South Hennepin WorkForce Center

4220 Old Shakopee Road

Bloomington, MN 55437

Phone: 612.348.0766 (Fax: 612.321.3372)

TTY: N/A MN Relay: 7-1-1

E-mail: ronald.white@hennepin.us

Counties Served: Carver, Hennepin

(excluding City of Minneapolis)

Website: www.co.hennepin.mn.us

WSA 10. City of Minneapolis

CITY OF MINNEAPOLIS EMPLOYMENT AND TRAINING

Deb Bahr-Helgen – Director

105 – 5th Avenue South – Suite 200

Minneapolis, MN 55401-2593

Phone: 612.673.6226 Gen Office: 612.673.5298

(Fax: 612.673.5299) TTY: 612.673.2157

E-mail: deb.bahr.helgen@minneapolismn.gov

Serves: City of Minneapolis

Website: www.minneapolismn.gov/cped/metp

WSA 12. Anoka County

ANOKA COUNTY JOB TRAINING CENTER

Jerry Vitzthum – Director

1201 – 89th Avenue NE – Suite 235

Blaine, MN 55434

Phone: 763.783.4800 (Fax: 763.783.4844)

TTY: 763.783.4724

E-mail: jerry.vitzthum@co.anoka.mn.us

County Served: Anoka

Website: mn.gov/deed/anoka

WSA 14. Dakota / Scott

DAKOTA – SCOTT WORKFORCE SERVICES

Mark Jacobs – Director

1 Mendota Road West – Suite 100

West St. Paul, MN 55118-4765

Phone: 651.554.5622 (Fax: 651.554.5709)

TTY: 651.554.5914

E-mail: mark.jacobs@co.dakota.mn.us

County Served: Dakota, Scott

Website: www.mnwfc.org/dakotanorth

WSA 15. Ramsey County

WORKFORCE SOLUTIONS

Patricia Brady – Director

2098 – 11th Avenue East

North St. Paul, MN 55109

Phone: 651.779.5651 (Fax: 651.779.5240)

TTY: 651.779.5223

E-mail: patricia.brady@co.ramsey.mn.us

County Served: Ramsey

Website: www.co.ramsey.mn.us/workforce

WSA 16. Washington County

WASHINGTON COUNTY WORKFORCE
CENTER

Robert Crawford – Division Manager

Woodbury Service Center

2150 Radio Drive

Woodbury, MN 55125

Phone: 651.275.8650 (Fax: 651.275.8682)

TTY: 651.275.8653

E-mail: robert.crawford@co.washington.mn.us

County Served: Washington

Website: www.mnwfc.org/washingtoncounty

WSA 17. Stearns-Benton

STEARNS-BENTON EMPLOYMENT &
TRAINING COUNCIL

Kathy Zavala – Director

MN WorkForce Center – St. Cloud

1542 Northway Drive

St. Cloud, MN 56303

Phone: 320.308.5702 (Fax: 320.308.1718)

TTY: 320.308.6434

E-mail: kzavala@sbetc.org

Counties Served: Benton, Stearns

Website: www.mnwfc.org/stcloud and also,
www.workforceu.com

WSA 18. Winona County

WINONA COUNTY WORKFORCE COUNCIL

Mike Haney – Director

1250 Homer Road – Suite 200

Winona, MN 55987

Phone: 507.453.2920 (Fax: 507.453.2960)

TTY: 507.453.2936

E-mail: Mike.Haney@state.mn.us

County Served: Winona

Website: www.mnwfc.org/winona

Statewide Update Contact

MN DEPARTMENT OF EMPLOYMENT AND
ECONOMIC DEVELOPMENT

Anders Victor

Workforce Development Division

1st National Bank Building

332 Minnesota Street – Suite E200

St. Paul, MN 55101-1351

Phone: 651.259.7571 (Fax: 651.215.3842)

TTY: 651.296.3900

E-mail: Anders.Victor@state.mn.us

*Serves: Contact for information changes to be
made for all above WSA offices.*

Website: <http://mn.gov/deed/>

THE
WORKFORCE
INVESTMENT ACT
OF 1998

TITLE V—GENERAL PROVISIONS

- Sec. 501. State unified plan.
- Sec. 502. Definitions for indicators of performance.
- Sec. 503. Incentive grants.
- Sec. 504. Privacy.
- Sec. 505. Buy-American requirements.
- Sec. 506. Transition provisions.
- Sec. 507. Effective date.

TITLE I—WORKFORCE INVESTMENT SYSTEMS

Subtitle A—Workforce Investment Definitions

SEC. 101. DEFINITIONS.

29 USC 2801.

In this title:

(1) **ADULT.**—Except in sections 127 and 132, the term “adult” means an individual who is age 18 or older.

(2) **ADULT EDUCATION; ADULT EDUCATION AND LITERACY ACTIVITIES.**—The terms “adult education” and “adult education and literacy activities” have the meanings given the terms in section 203.

(3) **AREA VOCATIONAL EDUCATION SCHOOL.**—The term “area vocational education school” has the meaning given the term in section 521 of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471).

(4) **BASIC SKILLS DEFICIENT.**—The term “basic skills deficient” means, with respect to an individual, that the individual has English reading, writing, or computing skills at or below the 8th grade level on a generally accepted standardized test or a comparable score on a criterion-referenced test.

(5) **CASE MANAGEMENT.**—The term “case management” means the provision of a client-centered approach in the delivery of services, designed—

(A) to prepare and coordinate comprehensive employment plans, such as service strategies, for participants to ensure access to necessary workforce investment activities and supportive services, using, where feasible, computer-based technologies; and

(B) to provide job and career counseling during program participation and after job placement.

(6) **CHIEF ELECTED OFFICIAL.**—The term “chief elected official” means—

(A) the chief elected executive officer of a unit of general local government in a local area; and

(B) in a case in which a local area includes more than one unit of general local government, the individuals designated under the agreement described in section 117(c)(1)(B).

(7) **COMMUNITY-BASED ORGANIZATION.**—The term “community-based organization” means a private nonprofit organization that is representative of a community or a significant segment of a community and that has demonstrated expertise and effectiveness in the field of workforce investment.

(8) CUSTOMIZED TRAINING.—The term “customized training” means training—

(A) that is designed to meet the special requirements of an employer (including a group of employers);

(B) that is conducted with a commitment by the employer to employ an individual on successful completion of the training; and

(C) for which the employer pays for not less than 50 percent of the cost of the training.

(9) DISLOCATED WORKER.—The term “dislocated worker” means an individual who—

(A)(i) has been terminated or laid off, or who has received a notice of termination or layoff, from employment;

(ii)(I) is eligible for or has exhausted entitlement to unemployment compensation; or

(II) has been employed for a duration sufficient to demonstrate, to the appropriate entity at a one-stop center referred to in section 134(c), attachment to the workforce, but is not eligible for unemployment compensation due to insufficient earnings or having performed services for an employer that were not covered under a State unemployment compensation law; and

(iii) is unlikely to return to a previous industry or occupation;

(B)(i) has been terminated or laid off, or has received a notice of termination or layoff, from employment as a result of any permanent closure of, or any substantial layoff at, a plant, facility, or enterprise;

(ii) is employed at a facility at which the employer has made a general announcement that such facility will close within 180 days; or

(iii) for purposes of eligibility to receive services other than training services described in section 134(d)(4), intensive services described in section 134(d)(3), or supportive services, is employed at a facility at which the employer has made a general announcement that such facility will close;

(C) was self-employed (including employment as a farmer, a rancher, or a fisherman) but is unemployed as a result of general economic conditions in the community in which the individual resides or because of natural disasters; or

(D) is a displaced homemaker.

(10) DISPLACED HOME MAKER.—The term “displaced homemaker” means an individual who has been providing unpaid services to family members in the home and who—

(A) has been dependent on the income of another family member but is no longer supported by that income; and

(B) is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment.

(11) ECONOMIC DEVELOPMENT AGENCIES.—The term “economic development agencies” includes local planning and zoning commissions or boards, community development agencies, and other local agencies and institutions responsible for regulating, promoting, or assisting in local economic development.

(12) ELIGIBLE PROVIDER.—The term “eligible provider”, used with respect to—

(A) training services, means a provider who is identified in accordance with section 122(e)(3);

(B) intensive services, means a provider who is identified or awarded a contract as described in section 134(d)(3)(B);

(C) youth activities, means a provider who is awarded a grant or contract in accordance with section 123; or

(D) other workforce investment activities, means a public or private entity selected to be responsible for such activities, such as a one-stop operator designated or certified under section 121(d).

(13) ELIGIBLE YOUTH.—Except as provided in subtitles C and D, the term “eligible youth” means an individual who—

(A) is not less than age 14 and not more than age 21;

(B) is a low-income individual; and

(C) is an individual who is one or more of the following:

(i) Deficient in basic literacy skills.

(ii) A school dropout.

(iii) Homeless, a runaway, or a foster child.

(iv) Pregnant or a parent.

(v) An offender.

(vi) An individual who requires additional assistance to complete an educational program, or to secure and hold employment.

(14) EMPLOYMENT AND TRAINING ACTIVITY.—The term “employment and training activity” means an activity described in section 134 that is carried out for an adult or dislocated worker.

(15) FAMILY.—The term “family” means two or more persons related by blood, marriage, or decree of court, who are living in a single residence, and are included in one or more of the following categories:

(A) A husband, wife, and dependent children.

(B) A parent or guardian and dependent children.

(C) A husband and wife.

(16) GOVERNOR.—The term “Governor” means the chief executive of a State.

(17) INDIVIDUAL WITH A DISABILITY.—

(A) IN GENERAL.—The term “individual with a disability” means an individual with any disability (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)).

(B) INDIVIDUALS WITH DISABILITIES.—The term “individuals with disabilities” means more than one individual with a disability.

(18) LABOR MARKET AREA.—The term “labor market area” means an economically integrated geographic area within which individuals can reside and find employment within a reasonable distance or can readily change employment without changing their place of residence. Such an area shall be identified in accordance with criteria used by the Bureau of Labor Statistics of the Department of Labor in defining such areas or similar criteria established by a Governor.

(19) LITERACY.—The term “literacy” has the meaning given the term in section 203.

(20) LOCAL AREA.—The term “local area” means a local workforce investment area designated under section 116.

(21) LOCAL BOARD.—The term “local board” means a local workforce investment board established under section 117.

(22) LOCAL PERFORMANCE MEASURE.—The term “local performance measure” means a performance measure established under section 136(c).

(23) LOCAL EDUCATIONAL AGENCY.—The term “local educational agency” has the meaning given the term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

(24) LOWER LIVING STANDARD INCOME LEVEL.—The term “lower living standard income level” means that income level (adjusted for regional, metropolitan, urban, and rural differences and family size) determined annually by the Secretary based on the most recent lower living family budget issued by the Secretary.

(25) LOW-INCOME INDIVIDUAL.—The term “low-income individual” means an individual who—

(A) receives, or is a member of a family that receives, cash payments under a Federal, State, or local income-based public assistance program;

(B) received an income, or is a member of a family that received a total family income, for the 6-month period prior to application for the program involved (exclusive of unemployment compensation, child support payments, payments described in subparagraph (A), and old-age and survivors insurance benefits received under section 202 of the Social Security Act (42 U.S.C. 402)) that, in relation to family size, does not exceed the higher of—

(i) the poverty line, for an equivalent period; or

(ii) 70 percent of the lower living standard income level, for an equivalent period;

(C) is a member of a household that receives (or has been determined within the 6-month period prior to application for the program involved to be eligible to receive) food stamps pursuant to the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.);

(D) qualifies as a homeless individual, as defined in subsections (a) and (c) of section 103 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11302);

(E) is a foster child on behalf of whom State or local government payments are made; or

(F) in cases permitted by regulations promulgated by the Secretary of Labor, is an individual with a disability whose own income meets the requirements of a program described in subparagraph (A) or of subparagraph (B), but who is a member of a family whose income does not meet such requirements.

(26) NONTRADITIONAL EMPLOYMENT.—The term “nontraditional employment” refers to occupations or fields of work for which individuals from one gender comprise less than 25 percent of the individuals employed in each such occupation or field of work.

(27) OFFENDER.—The term “offender” means any adult or juvenile—

(A) who is or has been subject to any stage of the criminal justice process, for whom services under this Act may be beneficial; or

(B) who requires assistance in overcoming artificial barriers to employment resulting from a record of arrest or conviction.

(28) OLDER INDIVIDUAL.—The term “older individual” means an individual age 55 or older.

(29) ONE-STOP OPERATOR.—The term “one-stop operator” means 1 or more entities designated or certified under section 121(d).

(30) ONE-STOP PARTNER.—The term “one-stop partner” means—

(A) an entity described in section 121(b)(1); and

(B) an entity described in section 121(b)(2) that is participating, with the approval of the local board and chief elected official, in the operation of a one-stop delivery system.

(31) ON-THE-JOB TRAINING.—The term “on-the-job training” means training by an employer that is provided to a paid participant while engaged in productive work in a job that—

(A) provides knowledge or skills essential to the full and adequate performance of the job;

(B) provides reimbursement to the employer of up to 50 percent of the wage rate of the participant, for the extraordinary costs of providing the training and additional supervision related to the training; and

(C) is limited in duration as appropriate to the occupation for which the participant is being trained, taking into account the content of the training, the prior work experience of the participant, and the service strategy of the participant, as appropriate.

(32) OUTLYING AREA.—The term “outlying area” means the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

(33) OUT-OF-SCHOOL YOUTH.—The term “out-of-school youth” means—

(A) an eligible youth who is a school dropout; or

(B) an eligible youth who has received a secondary school diploma or its equivalent but is basic skills deficient, unemployed, or underemployed.

(34) PARTICIPANT.—The term “participant” means an individual who has been determined to be eligible to participate in and who is receiving services (except followup services authorized under this title) under a program authorized by this title. Participation shall be deemed to commence on the first day, following determination of eligibility, on which the individual began receiving subsidized employment, training, or other services provided under this title.

(35) POSTSECONDARY EDUCATIONAL INSTITUTION.—The term “postsecondary educational institution” means an institution of higher education, as defined in section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088).

(36) POVERTY LINE.—The term “poverty line” means the poverty line (as defined by the Office of Management and

Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved.

(37) PUBLIC ASSISTANCE.—The term “public assistance” means Federal, State, or local government cash payments for which eligibility is determined by a needs or income test.

(38) RAPID RESPONSE ACTIVITY.—The term “rapid response activity” means an activity provided by a State, or by an entity designated by a State, with funds provided by the State under section 134(a)(1)(A), in the case of a permanent closure or mass layoff at a plant, facility, or enterprise, or a natural or other disaster, that results in mass job dislocation, in order to assist dislocated workers in obtaining reemployment as soon as possible, with services including—

(A) the establishment of onsite contact with employers and employee representatives—

(i) immediately after the State is notified of a current or projected permanent closure or mass layoff; or

(ii) in the case of a disaster, immediately after the State is made aware of mass job dislocation as a result of such disaster;

(B) the provision of information and access to available employment and training activities;

(C) assistance in establishing a labor-management committee, voluntarily agreed to by labor and management, with the ability to devise and implement a strategy for assessing the employment and training needs of dislocated workers and obtaining services to meet such needs;

(D) the provision of emergency assistance adapted to the particular closure, layoff, or disaster; and

(E) the provision of assistance to the local community in developing a coordinated response and in obtaining access to State economic development assistance.

(39) SCHOOL DROPOUT.—The term “school dropout” means an individual who is no longer attending any school and who has not received a secondary school diploma or its recognized equivalent.

(40) SECONDARY SCHOOL.—The term “secondary school” has the meaning given the term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

(41) SECRETARY.—The term “Secretary” means the Secretary of Labor, and the term means such Secretary for purposes of section 503.

(42) STATE.—The term “State” means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

(43) STATE ADJUSTED LEVEL OF PERFORMANCE.—The term “State adjusted level of performance” means a level described in clause (iii) or (v) of section 136(b)(3)(A).

(44) STATE BOARD.—The term “State board” means a State workforce investment board established under section 111.

(45) STATE PERFORMANCE MEASURE.—The term “State performance measure” means a performance measure established under section 136(b).

(46) SUPPORTIVE SERVICES.—The term “supportive services” means services such as transportation, child care, dependent

care, housing, and needs-related payments, that are necessary to enable an individual to participate in activities authorized under this title, consistent with the provisions of this title.

(47) UNEMPLOYED INDIVIDUAL.—The term “unemployed individual” means an individual who is without a job and who wants and is available for work. The determination of whether an individual is without a job shall be made in accordance with the criteria used by the Bureau of Labor Statistics of the Department of Labor in defining individuals as unemployed.

(48) UNIT OF GENERAL LOCAL GOVERNMENT.—The term “unit of general local government” means any general purpose political subdivision of a State that has the power to levy taxes and spend funds, as well as general corporate and police powers.

(49) VETERAN; RELATED DEFINITION.—

(A) VETERAN.—The term “veteran” means an individual who served in the active military, naval, or air service, and who was discharged or released from such service under conditions other than dishonorable.

(B) RECENTLY SEPARATED VETERAN.—The term “recently separated veteran” means any veteran who applies for participation under this title within 48 months after the discharge or release from active military, naval, or air service.

(50) VOCATIONAL EDUCATION.—The term “vocational education” has the meaning given the term in section 521 of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471).

(51) WORKFORCE INVESTMENT ACTIVITY.—The term “workforce investment activity” means an employment and training activity, and a youth activity.

(52) YOUTH ACTIVITY.—The term “youth activity” means an activity described in section 129 that is carried out for eligible youth (or as described in section 129(c)(5)).

(53) YOUTH COUNCIL.—The term “youth council” means a council established under section 117(h).

Subtitle B—Statewide and Local Workforce Investment Systems

SEC. 106. PURPOSE.

29 USC 2811.

The purpose of this subtitle is to provide workforce investment activities, through statewide and local workforce investment systems, that increase the employment, retention, and earnings of participants, and increase occupational skill attainment by participants, and, as a result, improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the Nation.

CHAPTER 1—STATE PROVISIONS

SEC. 111. STATE WORKFORCE INVESTMENT BOARDS.

Establishment.
29 USC 2821.

(a) IN GENERAL.—The Governor of a State shall establish a State workforce investment board to assist in the development

of the State plan described in section 112 and to carry out the other functions described in subsection (d).

(b) MEMBERSHIP.—

(1) IN GENERAL.—The State Board shall include—

(A) the Governor;

(B) 2 members of each chamber of the State legislature, appointed by the appropriate presiding officers of each such chamber; and

(C) representatives appointed by the Governor, who are—

(i) representatives of business in the State, who—

(I) are owners of businesses, chief executives or operating officers of businesses, and other business executives or employers with optimum policymaking or hiring authority, including members of local boards described in section 117(b)(2)(A)(i);

(II) represent businesses with employment opportunities that reflect the employment opportunities of the State; and

(III) are appointed from among individuals nominated by State business organizations and business trade associations;

(ii) chief elected officials (representing both cities and counties, where appropriate);

(iii) representatives of labor organizations, who have been nominated by State labor federations;

(iv) representatives of individuals and organizations that have experience with respect to youth activities;

(v) representatives of individuals and organizations that have experience and expertise in the delivery of workforce investment activities, including chief executive officers of community colleges and community-based organizations within the State;

(vi)(I) the lead State agency officials with responsibility for the programs and activities that are described in section 121(b) and carried out by one-stop partners; and

(II) in any case in which no lead State agency official has responsibility for such a program, service, or activity, a representative in the State with expertise relating to such program, service, or activity; and

(vii) such other representatives and State agency officials as the Governor may designate, such as the State agency officials responsible for economic development and juvenile justice programs in the State.

(2) AUTHORITY AND REGIONAL REPRESENTATION OF BOARD MEMBERS.—Members of the board that represent organizations, agencies, or other entities shall be individuals with optimum policymaking authority within the organizations, agencies, or entities. The members of the board shall represent diverse regions of the State, including urban, rural, and suburban areas.

(3) MAJORITY.—A majority of the members of the State Board shall be representatives described in paragraph (1)(C)(i).

(c) CHAIRMAN.—The Governor shall select a chairperson for the State Board from among the representatives described in subsection (b)(1)(C)(i).

(d) FUNCTIONS.—The State Board shall assist the Governor in—

(1) development of the State plan;

(2) development and continuous improvement of a statewide system of activities that are funded under this subtitle or carried out through a one-stop delivery system described in section 134(c) that receives funds under this subtitle (referred to in this title as a “statewide workforce investment system”), including—

(A) development of linkages in order to assure coordination and nonduplication among the programs and activities described in section 121(b); and

(B) review of local plans;

(3) commenting at least once annually on the measures taken pursuant to section 113(b)(14) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C 2323(b)(14));

(4) designation of local areas as required in section 116;

(5) development of allocation formulas for the distribution of funds for adult employment and training activities and youth activities to local areas as permitted under sections 128(b)(3)(B) and 133(b)(3)(B);

(6) development and continuous improvement of comprehensive State performance measures, including State adjusted levels of performance, to assess the effectiveness of the workforce investment activities in the State as required under section 136(b);

(7) preparation of the annual report to the Secretary described in section 136(d);

(8) development of the statewide employment statistics system described in section 15(e) of the Wagner-Peyser Act; and

(9) development of an application for an incentive grant under section 503.

(e) ALTERNATIVE ENTITY.—

(1) IN GENERAL.—For purposes of complying with subsections (a), (b), and (c), a State may use any State entity (including a State council, State workforce development board, combination of regional workforce development boards, or similar entity) that—

(A) was in existence on December 31, 1997;

(B)(i) was established pursuant to section 122 or title VII of the Job Training Partnership Act, as in effect on December 31, 1997; or

(ii) is substantially similar to the State board described in subsections (a), (b), and (c); and

(C) includes representatives of business in the State and representatives of labor organizations in the State.

(2) REFERENCES.—References in this Act to a State board shall be considered to include such an entity.

(f) CONFLICT OF INTEREST.—A member of a State board may not—

(1) vote on a matter under consideration by the State board—

(A) regarding the provision of services by such member (or by an entity that such member represents); or

(B) that would provide direct financial benefit to such member or the immediate family of such member; or

(2) engage in any other activity determined by the Governor to constitute a conflict of interest as specified in the State plan.

(g) **SUNSHINE PROVISION.**—The State board shall make available to the public, on a regular basis through open meetings, information regarding the activities of the State board, including information regarding the State plan prior to submission of the plan, information regarding membership, and, on request, minutes of formal meetings of the State board.

29 USC 2822.

SEC. 112. STATE PLAN.

(a) **IN GENERAL.**—For a State to be eligible to receive an allotment under section 127 or 132, or to receive financial assistance under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), the Governor of the State shall submit to the Secretary for consideration by the Secretary, a single State plan (referred to in this title as the “State plan”) that outlines a 5-year strategy for the statewide workforce investment system of the State and that meets the requirements of section 111 and this section.

(b) **CONTENTS.**—The State plan shall include—

(1) a description of the State board, including a description of the manner in which such board collaborated in the development of the State plan and a description of how the board will continue to collaborate in carrying out the functions described in section 111(d);

(2) a description of State-imposed requirements for the statewide workforce investment system;

(3) a description of the State performance accountability system developed for the workforce investment activities to be carried out through the statewide workforce investment system, that includes information identifying State performance measures as described in section 136(b)(3)(A)(ii);

(4) information describing—

(A) the needs of the State with regard to current and projected employment opportunities, by occupation;

(B) the job skills necessary to obtain such employment opportunities;

(C) the skills and economic development needs of the State; and

(D) the type and availability of workforce investment activities in the State;

(5) an identification of local areas designated in the State, including a description of the process used for the designation of such areas;

(6) an identification of criteria to be used by chief elected officials for the appointment of members of local boards based on the requirements of section 117;

(7) the detailed plans required under section 8 of the Wagner-Peyser Act (29 U.S.C. 49g);

(8)(A) a description of the procedures that will be taken by the State to assure coordination of and avoid duplication among—

(i) workforce investment activities authorized under this title;

(ii) other activities authorized under this title;

(iii) programs authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), title II of this Act, title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.), part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), and section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)), activities authorized under title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.), and postsecondary vocational education activities authorized under the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.);

(iv) work programs authorized under section 6(o) of the Food Stamp Act of 1977 (7 U.S.C. 2015(o));

(v) activities authorized under chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.);

(vi) activities authorized under chapter 41 of title 38, United States Code;

(vii) employment and training activities carried out under the Community Services Block Grant Act (42 U.S.C. 9901 et seq.);

(viii) activities authorized under the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.);

(ix) employment and training activities carried out by the Department of Housing and Urban Development; and

(x) programs authorized under State unemployment compensation laws (in accordance with applicable Federal law); and

(B) a description of the common data collection and reporting processes used for the programs and activities described in subparagraph (A);

(9) a description of the process used by the State, consistent with section 111(g), to provide an opportunity for public comment, including comment by representatives of businesses and representatives of labor organizations, and input into development of the plan, prior to submission of the plan;

(10) information identifying how the State will use funds the State receives under this subtitle to leverage other Federal, State, local, and private resources, in order to maximize the effectiveness of such resources, and to expand the participation of business, employees, and individuals in the statewide workforce investment system;

(11) assurances that the State will provide, in accordance with section 184 for fiscal control and fund accounting procedures that may be necessary to ensure the proper disbursement of, and accounting for, funds paid to the State through the allotments made under sections 127 and 132;

(12)(A) a description of the methods and factors the State will use in distributing funds to local areas for youth activities and adult employment and training activities under sections 128(b)(3)(B) and 133(b)(3)(B), including—

(i) a description of how the individuals and entities represented on the State board were involved in determining such methods and factors of distribution; and

(ii) a description of how the State consulted with chief elected officials in local areas throughout the State in determining such distribution;

(B) assurances that the funds will be distributed equitably throughout the State, and that no local areas will suffer significant shifts in funding from year to year; and

(C) a description of the formula prescribed by the Governor pursuant to section 133(b)(2)(B) for the allocation of funds to local areas for dislocated worker employment and training activities;

(13) information specifying the actions that constitute a conflict of interest prohibited in the State for purposes of sections 111(f) and 117(g);

(14) with respect to the one-stop delivery systems described in section 134(c) (referred to individually in this title as a “one-stop delivery system”), a description of the strategy of the State for assisting local areas in development and implementation of fully operational one-stop delivery systems in the State;

(15) a description of the appeals process referred to in section 116(a)(5);

(16) a description of the competitive process to be used by the State to award grants and contracts in the State for activities carried out under this title;

(17) with respect to the employment and training activities authorized in section 134—

(A) a description of—

(i) the employment and training activities that will be carried out with the funds received by the State through the allotment made under section 132;

(ii) how the State will provide rapid response activities to dislocated workers from funds reserved under section 133(a)(2) for such purposes, including the designation of an identifiable State rapid response dislocated worker unit to carry out statewide rapid response activities;

(iii) the procedures the local boards in the State will use to identify eligible providers of training services described in section 134(d)(4) (other than on-the-job training or customized training), as required under section 122; and

(iv) how the State will serve the employment and training needs of dislocated workers (including displaced homemakers), low-income individuals (including recipients of public assistance), individuals training for nontraditional employment, and other individuals with multiple barriers to employment (including older individuals and individuals with disabilities); and

(B) an assurance that veterans will be afforded the employment and training activities by the State, to the extent practicable; and

(18) with respect to youth activities authorized in section 129, information—

(A) describing the State strategy for providing comprehensive services to eligible youth, particularly those eligible youth who are recognized as having significant barriers to employment;

(B) identifying the criteria to be used by local boards in awarding grants for youth activities, including criteria that the Governor and local boards will use to identify effective and ineffective youth activities and providers of such activities;

(C) describing how the State will coordinate the youth activities carried out in the State under section 129 with the services provided by Job Corps centers in the State (where such centers exist); and

(D) describing how the State will coordinate youth activities described in subparagraph (C) with activities carried out through the youth opportunity grants under section 169.

(c) **PLAN SUBMISSION AND APPROVAL.**—A State plan submitted to the Secretary under this section by a Governor shall be considered to be approved by the Secretary at the end of the 90-day period beginning on the day the Secretary receives the plan, unless the Secretary makes a written determination, during the 90-day period, that—

(1) the plan is inconsistent with the provisions of this title; and

(2) in the case of the portion of the plan described in section 8(a) of the Wagner-Peyser Act (29 U.S.C. 49g(a)), the portion does not satisfy the criteria for approval provided in section 8(d) of such Act.

(d) **MODIFICATIONS TO PLAN.**—A State may submit modifications to a State plan in accordance with the requirements of this section and section 111 as necessary during the 5-year period covered by the plan.

CHAPTER 2—LOCAL PROVISIONS

SEC. 116. LOCAL WORKFORCE INVESTMENT AREAS.

29 USC 2831.

(a) **DESIGNATION OF AREAS.**—

(1) **IN GENERAL.**—

(A) **PROCESS.**—Except as provided in subsection (b), and consistent with paragraphs (2), (3), and (4), in order for a State to receive an allotment under section 127 or 132, the Governor of the State shall designate local workforce investment areas within the State—

(i) through consultation with the State board; and

(ii) after consultation with chief elected officials and after consideration of comments received through the public comment process as described in section 112(b)(9).

(B) **CONSIDERATIONS.**—In making the designation of local areas, the Governor shall take into consideration the following:

(i) Geographic areas served by local educational agencies and intermediate educational agencies.

(ii) Geographic areas served by postsecondary educational institutions and area vocational education schools.

(iii) The extent to which such local areas are consistent with labor market areas.

(iv) The distance that individuals will need to travel to receive services provided in such local areas.

(v) The resources of such local areas that are available to effectively administer the activities carried out under this subtitle.

(2) AUTOMATIC DESIGNATION.—The Governor shall approve any request for designation as a local area—

(A) from any unit of general local government with a population of 500,000 or more;

(B) of the area served by a rural concentrated employment program grant recipient of demonstrated effectiveness that served as a service delivery area or substate area under the Job Training Partnership Act, if the grant recipient has submitted the request; and

(C) of an area that served as a service delivery area under section 101(a)(4)(A)(ii) of the Job Training Partnership Act (as in effect on the day before the date of enactment of this Act) in a State that has a population of not more than 1,100,000 and a population density greater than 900 persons per square mile.

(3) TEMPORARY AND SUBSEQUENT DESIGNATION.—

(A) CRITERIA.—Notwithstanding paragraph (2)(A), the Governor shall approve any request, made not later than the date of submission of the initial State plan under this subtitle, for temporary designation as a local area from any unit of general local government (including a combination of such units) with a population of 200,000 or more that was a service delivery area under the Job Training Partnership Act on the day before the date of enactment of this Act if the Governor determines that the area—

(i) performed successfully, in each of the last 2 years prior to the request for which data are available, in the delivery of services to participants under part A of title II and title III of the Job Training Partnership Act (as in effect on such day); and

(ii) has sustained the fiscal integrity of the funds used by the area to carry out activities under such part and title.

(B) DURATION AND SUBSEQUENT DESIGNATION.—A temporary designation under this paragraph shall be for a period of not more than 2 years, after which the designation shall be extended until the end of the period covered by the State plan if the Governor determines that, during the temporary designation period, the area substantially met (as defined by the State board) the local performance measures for the local area and sustained the fiscal integrity of the funds used by the area to carry out activities under this subtitle.

(C) TECHNICAL ASSISTANCE.—The Secretary shall provide the States with technical assistance in making the determinations required by this paragraph. The Secretary shall not issue regulations governing determinations to be made under this paragraph.

(D) PERFORMED SUCCESSFULLY.—In this paragraph, the term “performed successfully” means that the area involved met or exceeded the performance standards for activities administered in the area that—

(i) are established by the Secretary for each year and modified by the adjustment methodology of the State (used to account for differences in economic conditions, participant characteristics, and combination of services provided from the combination assumed for purposes of the established standards of the Secretary); and

(ii)(I) if the area was designated as both a service delivery area and a substate area under the Job Training Partnership Act (as in effect on the day before the date of enactment of this Act)—

(aa) relate to job retention and earnings, with respect to activities carried out under part A of title II of such Act (as in effect on such day); or

(bb) relate to entry into employment, with respect to activities carried out under title III of such Act (as in effect on such day);

(II) if the area was designated only as a service delivery area under such Act (as in effect on such day), relate to the standards described in subclause (I)(aa); or

(III) if the area was only designated as a substate area under such Act (as in effect on such day), relate to the standards described in subclause (I)(bb).

(E) SUSTAINED THE FISCAL INTEGRITY.—In this paragraph, the term “sustained the fiscal integrity”, used with respect to funds used by a service delivery area or local area, means that the Secretary has not made a final determination during any of the last 3 years for which data are available, prior to the date of the designation request involved, that either the grant recipient or the administrative entity of the area misexpended the funds due to willful disregard of the requirements of the Act involved, gross negligence, or failure to observe accepted standards of administration.

(4) DESIGNATION ON RECOMMENDATION OF STATE BOARD.—The Governor may approve a request from any unit of general local government (including a combination of such units) for designation (including temporary designation) as a local area if the State board determines, taking into account the factors described in clauses (i) through (v) of paragraph (1)(B), and recommends to the Governor, that such area should be so designated.

(5) APPEALS.—A unit of general local government (including a combination of such units) or grant recipient that requests but is not granted designation of an area as a local area under paragraph (2) or (3) may submit an appeal to the State board under an appeal process established in the State plan. If the appeal does not result in such a designation, the Secretary, after receiving a request for review from the unit or grant recipient and on determining that the unit or grant recipient was not accorded procedural rights under the appeal process established in the State plan or that the area meets the requirements of paragraph (2) or (3), as appropriate, may require that the area be designated as a local area under such paragraph.

(b) **SMALL STATES.**—The Governor of any State that was a single State service delivery area under the Job Training Partnership Act as of July 1, 1998, may designate the State as a single State local area for the purposes of this title. In the case of such a designation, the Governor shall identify the State as a local area under section 112(b)(5).

(c) **REGIONAL PLANNING AND COOPERATION.**—

(1) **PLANNING.**—As part of the process for developing the State plan, a State may require regional planning by local boards for a designated region in the State. The State may require the local boards for a designated region to participate in a regional planning process that results in the establishment of regional performance measures for workforce investment activities authorized under this subtitle. The State may award regional incentive grants to the designated regions that meet or exceed the regional performance measures.

(2) **INFORMATION SHARING.**—The State may require the local boards for a designated region to share, in feasible cases, employment statistics, information about employment opportunities and trends, and other types of information that would assist in improving the performance of all local areas in the designated region on local performance measures.

(3) **COORDINATION OF SERVICES.**—The State may require the local boards for a designated region to coordinate the provision of workforce investment activities authorized under this subtitle, including the provision of transportation and other supportive services, so that services provided through the activities may be provided across the boundaries of local areas within the designated region.

(4) **INTERSTATE REGIONS.**—Two or more States that contain an interstate region that is a labor market area, economic development region, or other appropriate contiguous subarea of the States may designate the area as a designated region for purposes of this subsection, and jointly exercise the State functions described in paragraphs (1) through (3).

(5) **DEFINITIONS.**—In this subsection:

(A) **DESIGNATED REGION.**—The term “designated region” means a combination of local areas that are partly or completely in a single labor market area, economic development region, or other appropriate contiguous subarea of a State, that is designated by the State, except as provided in paragraph (4).

(B) **LOCAL BOARD FOR A DESIGNATED REGION.**—The term “local board for a designated region” means a local board for a local area in a designated region.

29 USC 2832.

SEC. 117. LOCAL WORKFORCE INVESTMENT BOARDS.

(a) **ESTABLISHMENT.**—There shall be established in each local area of a State, and certified by the Governor of the State, a local workforce investment board, to set policy for the portion of the statewide workforce investment system within the local area (referred to in this title as a “local workforce investment system”).

(b) **MEMBERSHIP.**—

(1) **STATE CRITERIA.**—The Governor of the State, in partnership with the State board, shall establish criteria for use by chief elected officials in the local areas for appointment of

members of the local boards in such local areas in accordance with the requirements of paragraph (2).

(2) COMPOSITION.—Such criteria shall require, at a minimum, that the membership of each local board—

(A) shall include—

(i) representatives of business in the local area, who—

(I) are owners of businesses, chief executives or operating officers of businesses, and other business executives or employers with optimum policymaking or hiring authority;

(II) represent businesses with employment opportunities that reflect the employment opportunities of the local area; and

(III) are appointed from among individuals nominated by local business organizations and business trade associations;

(ii) representatives of local educational entities, including representatives of local educational agencies, local school boards, entities providing adult education and literacy activities, and postsecondary educational institutions (including representatives of community colleges, where such entities exist), selected from among individuals nominated by regional or local educational agencies, institutions, or organizations representing such local educational entities;

(iii) representatives of labor organizations (for a local area in which employees are represented by labor organizations), nominated by local labor federations, or (for a local area in which no employees are represented by such organizations), other representatives of employees;

(iv) representatives of community-based organizations (including organizations representing individuals with disabilities and veterans, for a local area in which such organizations are present);

(v) representatives of economic development agencies, including private sector economic development entities; and

(vi) representatives of each of the one-stop partners; and

(B) may include such other individuals or representatives of entities as the chief elected official in the local area may determine to be appropriate.

(3) AUTHORITY OF BOARD MEMBERS.—Members of the board that represent organizations, agencies, or other entities shall be individuals with optimum policymaking authority within the organizations, agencies, or entities.

(4) MAJORITY.—A majority of the members of the local board shall be representatives described in paragraph (2)(A)(i).

(5) CHAIRPERSON.—The local board shall elect a chairperson for the local board from among the representatives described in paragraph (2)(A)(i).

(c) APPOINTMENT AND CERTIFICATION OF BOARD.—

(1) APPOINTMENT OF BOARD MEMBERS AND ASSIGNMENT OF RESPONSIBILITIES.—

(A) IN GENERAL.—The chief elected official in a local area is authorized to appoint the members of the local board for such area, in accordance with the State criteria established under subsection (b).

(B) MULTIPLE UNITS OF LOCAL GOVERNMENT IN AREA.—

(i) IN GENERAL.—In a case in which a local area includes more than 1 unit of general local government, the chief elected officials of such units may execute an agreement that specifies the respective roles of the individual chief elected officials—

(I) in the appointment of the members of the local board from the individuals nominated or recommended to be such members in accordance with the criteria established under subsection (b); and

(II) in carrying out any other responsibilities assigned to such officials under this subtitle.

(ii) LACK OF AGREEMENT.—If, after a reasonable effort, the chief elected officials are unable to reach agreement as provided under clause (i), the Governor may appoint the members of the local board from individuals so nominated or recommended.

(C) CONCENTRATED EMPLOYMENT PROGRAMS.—In the case of a local area designated in accordance with section 116(a)(2)(B), the governing body of the concentrated employment program involved shall act in consultation with the chief elected official in the local area to appoint members of the local board, in accordance with the State criteria established under subsection (b), and to carry out any other responsibility relating to workforce investment activities assigned to such official under this Act.

(2) CERTIFICATION.—

(A) IN GENERAL.—The Governor shall, once every 2 years, certify 1 local board for each local area in the State.

(B) CRITERIA.—Such certification shall be based on criteria established under subsection (b) and, for a second or subsequent certification, the extent to which the local board has ensured that workforce investment activities carried out in the local area have enabled the local area to meet the local performance measures.

(C) FAILURE TO ACHIEVE CERTIFICATION.—Failure of a local board to achieve certification shall result in reappointment and certification of another local board for the local area pursuant to the process described in paragraph (1) and this paragraph.

(3) DECERTIFICATION.—

(A) FRAUD, ABUSE, FAILURE TO CARRY OUT FUNCTIONS.—Notwithstanding paragraph (2), the Governor may decertify a local board, at any time after providing notice and an opportunity for comment, for—

(i) fraud or abuse; or

(ii) failure to carry out the functions specified for the local board in any of paragraphs (1) through (7) of subsection (d).

(B) NONPERFORMANCE.—Notwithstanding paragraph (2), the Governor may decertify a local board if a local area fails to meet the local performance measures for such

local area for 2 consecutive program years (in accordance with section 136(h)).

(C) PLAN.—If the Governor decertifies a local board for a local area under subparagraph (A) or (B), the Governor may require that a new local board be appointed and certified for the local area pursuant to a reorganization plan developed by the Governor, in consultation with the chief elected official in the local area, and in accordance with the criteria established under subsection (b).

(4) SINGLE STATE AREA.—Notwithstanding subsection (b) and paragraphs (1) and (2), if a State described in section 116(b) indicates in the State plan that the State will be treated as a local area for purposes of the application of this title, the Governor may designate the State board to carry out any of the functions described in subsection (d).

(d) FUNCTIONS OF LOCAL BOARD.—The functions of the local board shall include the following:

(1) LOCAL PLAN.—Consistent with section 118, each local board, in partnership with the chief elected official for the local area involved, shall develop and submit a local plan to the Governor.

(2) SELECTION OF OPERATORS AND PROVIDERS.—

(A) SELECTION OF ONE-STOP OPERATORS.—Consistent with section 121(d), the local board, with the agreement of the chief elected official—

(i) shall designate or certify one-stop operators as described in section 121(d)(2)(A); and

(ii) may terminate for cause the eligibility of such operators.

(B) SELECTION OF YOUTH PROVIDERS.—Consistent with section 123, the local board shall identify eligible providers of youth activities in the local area by awarding grants or contracts on a competitive basis, based on the recommendations of the youth council.

(C) IDENTIFICATION OF ELIGIBLE PROVIDERS OF TRAINING SERVICES.—Consistent with section 122, the local board shall identify eligible providers of training services described in section 134(d)(4) in the local area.

(D) IDENTIFICATION OF ELIGIBLE PROVIDERS OF INTENSIVE SERVICES.—If the one-stop operator does not provide intensive services in a local area, the local board shall identify eligible providers of intensive services described in section 134(d)(3) in the local area by awarding contracts.

(3) BUDGET AND ADMINISTRATION.—

(A) BUDGET.—The local board shall develop a budget for the purpose of carrying out the duties of the local board under this section, subject to the approval of the chief elected official.

(B) ADMINISTRATION.—

(i) GRANT RECIPIENT.—

(I) IN GENERAL.—The chief elected official in a local area shall serve as the local grant recipient for, and shall be liable for any misuse of, the grant funds allocated to the local area under sections 128 and 133, unless the chief elected official reaches an agreement with the Governor for the

Governor to act as the local grant recipient and bear such liability.

(II) DESIGNATION.—In order to assist in the administration of the grant funds, the chief elected official or the Governor, where the Governor serves as the local grant recipient for a local area, may designate an entity to serve as a local grant sub-recipient for such funds or as a local fiscal agent. Such designation shall not relieve the chief elected official or the Governor of the liability for any misuse of grant funds as described in subclause (I).

(III) DISBURSAL.—The local grant recipient or an entity designated under subclause (II) shall disburse such funds for workforce investment activities at the direction of the local board, pursuant to the requirements of this title, if the direction does not violate a provision of this Act. The local grant recipient or entity designated under subclause (II) shall disburse the funds immediately on receiving such direction from the local board.

(ii) STAFF.—The local board may employ staff.

(iii) GRANTS AND DONATIONS.—The local board may solicit and accept grants and donations from sources other than Federal funds made available under this Act.

(4) PROGRAM OVERSIGHT.—The local board, in partnership with the chief elected official, shall conduct oversight with respect to local programs of youth activities authorized under section 129, local employment and training activities authorized under section 134, and the one-stop delivery system in the local area.

(5) NEGOTIATION OF LOCAL PERFORMANCE MEASURES.—The local board, the chief elected official, and the Governor shall negotiate and reach agreement on local performance measures as described in section 136(c).

(6) EMPLOYMENT STATISTICS SYSTEM.—The local board shall assist the Governor in developing the statewide employment statistics system described in section 15(e) of the Wagner-Peyser Act.

(7) EMPLOYER LINKAGES.—The local board shall coordinate the workforce investment activities authorized under this subtitle and carried out in the local area with economic development strategies and develop other employer linkages with such activities.

(8) CONNECTING, BROKERING, AND COACHING.—The local board shall promote the participation of private sector employers in the statewide workforce investment system and ensure the effective provision, through the system, of connecting, brokering, and coaching activities, through intermediaries such as the one-stop operator in the local area or through other organizations, to assist such employers in meeting hiring needs.

(e) SUNSHINE PROVISION.—The local board shall make available to the public, on a regular basis through open meetings, information regarding the activities of the local board, including information

regarding the local plan prior to submission of the plan, and regarding membership, the designation and certification of one-stop operators, and the award of grants or contracts to eligible providers of youth activities, and on request, minutes of formal meetings of the local board.

(f) LIMITATIONS.—

(1) TRAINING SERVICES.—

(A) IN GENERAL.—Except as provided in subparagraph (B), no local board may provide training services described in section 134(d)(4).

(B) WAIVERS OF TRAINING PROHIBITION.—The Governor of the State in which a local board is located may, pursuant to a request from the local board, grant a written waiver of the prohibition set forth in subparagraph (A) (relating to the provision of training services) for a program of training services, if the local board—

(i) submits to the Governor a proposed request for the waiver that includes—

(I) satisfactory evidence that there is an insufficient number of eligible providers of such a program of training services to meet local demand in the local area;

(II) information demonstrating that the board meets the requirements for an eligible provider of training services under section 122; and

(III) information demonstrating that the program of training services prepares participants for an occupation that is in demand in the local area;

(ii) makes the proposed request available to eligible providers of training services and other interested members of the public for a public comment period of not less than 30 days; and

(iii) includes, in the final request for the waiver, the evidence and information described in clause (i) and the comments received pursuant to clause (ii).

(C) DURATION.—A waiver granted to a local board under subparagraph (B) shall apply for a period of not to exceed 1 year. The waiver may be renewed for additional periods of not to exceed 1 year, pursuant to requests from the local board, if the board meets the requirements of subparagraph (B) in making the requests.

(D) REVOCATION.—The Governor may revoke a waiver granted under this paragraph during the appropriate period described in subparagraph (C) if the State determines that the local board involved has engaged in a pattern of inappropriate referrals to training services operated by the local board.

(2) CORE SERVICES; INTENSIVE SERVICES; DESIGNATION OR CERTIFICATION AS ONE-STOP OPERATORS.—A local board may provide core services described in section 134(d)(2) or intensive services described in section 134(d)(3) through a one-stop delivery system described in section 134(c) or be designated or certified as a one-stop operator only with the agreement of the chief elected official and the Governor.

(3) LIMITATION ON AUTHORITY.—Nothing in this Act shall be construed to provide a local board with the authority to mandate curricula for schools.

Applicability.

(g) CONFLICT OF INTEREST.—A member of a local board may not—

(1) vote on a matter under consideration by the local board—

(A) regarding the provision of services by such member (or by an entity that such member represents); or

(B) that would provide direct financial benefit to such member or the immediate family of such member; or

(2) engage in any other activity determined by the Governor to constitute a conflict of interest as specified in the State plan.

(h) YOUTH COUNCIL.—

(1) ESTABLISHMENT.—There shall be established, as a subgroup within each local board, a youth council appointed by the local board, in cooperation with the chief elected official for the local area.

(2) MEMBERSHIP.—The membership of each youth council—

(A) shall include—

(i) members of the local board described in subparagraph (A) or (B) of subsection (b)(2) with special interest or expertise in youth policy;

(ii) representatives of youth service agencies, including juvenile justice and local law enforcement agencies;

(iii) representatives of local public housing authorities;

(iv) parents of eligible youth seeking assistance under this subtitle;

(v) individuals, including former participants, and representatives of organizations, that have experience relating to youth activities; and

(vi) representatives of the Job Corps, as appropriate; and

(B) may include such other individuals as the chairperson of the local board, in cooperation with the chief elected official, determines to be appropriate.

(3) RELATIONSHIP TO LOCAL BOARD.—Members of the youth council who are not members of the local board described in subparagraphs (A) and (B) of subsection (b)(2) shall be voting members of the youth council and nonvoting members of the board.

(4) DUTIES.—The duties of the youth council include—

(A) developing the portions of the local plan relating to eligible youth, as determined by the chairperson of the local board;

(B) subject to the approval of the local board and consistent with section 123—

(i) recommending eligible providers of youth activities, to be awarded grants or contracts on a competitive basis by the local board to carry out the youth activities; and

(ii) conducting oversight with respect to the eligible providers of youth activities, in the local area;

(C) coordinating youth activities authorized under section 129 in the local area; and

(D) other duties determined to be appropriate by the chairperson of the local board.

(i) ALTERNATIVE ENTITY.—

(1) IN GENERAL.—For purposes of complying with subsections (a), (b), and (c), and paragraphs (1) and (2) of subsection (h), a State may use any local entity (including a local council, regional workforce development board, or similar entity) that—

(A) is established to serve the local area (or the service delivery area that most closely corresponds to the local area);

(B) is in existence on December 31, 1997;

(C)(i) is established pursuant to section 102 of the Job Training Partnership Act, as in effect on December 31, 1997; or

(ii) is substantially similar to the local board described in subsections (a), (b), and (c), and paragraphs (1) and (2) of subsection (h); and

(D) includes—

(i) representatives of business in the local area; and

(ii)(I) representatives of labor organizations (for a local area in which employees are represented by labor organizations), nominated by local labor federations; or

(II) (for a local area in which no employees are represented by such organizations), other representatives of employees in the local area.

(2) REFERENCES.—References in this Act to a local board or a youth council shall be considered to include such an entity or a subgroup of such an entity, respectively.

SEC. 118. LOCAL PLAN.

29 USC 2833.

(a) IN GENERAL.—Each local board shall develop and submit to the Governor a comprehensive 5-year local plan (referred to in this title as the “local plan”), in partnership with the appropriate chief elected official. The plan shall be consistent with the State plan.

(b) CONTENTS.—The local plan shall include—

(1) an identification of—

(A) the workforce investment needs of businesses, job-seekers, and workers in the local area;

(B) the current and projected employment opportunities in the local area; and

(C) the job skills necessary to obtain such employment opportunities;

(2) a description of the one-stop delivery system to be established or designated in the local area, including—

(A) a description of how the local board will ensure the continuous improvement of eligible providers of services through the system and ensure that such providers meet the employment needs of local employers and participants; and

(B) a copy of each memorandum of understanding described in section 121(c) (between the local board and each of the one-stop partners) concerning the operation of the one-stop delivery system in the local area;

(3) a description of the local levels of performance negotiated with the Governor and chief elected official pursuant to section 136(c), to be used to measure the performance of

the local area and to be used by the local board for measuring the performance of the local fiscal agent (where appropriate), eligible providers, and the one-stop delivery system, in the local area;

(4) a description and assessment of the type and availability of adult and dislocated worker employment and training activities in the local area;

(5) a description of how the local board will coordinate workforce investment activities carried out in the local area with statewide rapid response activities, as appropriate;

(6) a description and assessment of the type and availability of youth activities in the local area, including an identification of successful providers of such activities;

(7) a description of the process used by the local board, consistent with subsection (c), to provide an opportunity for public comment, including comment by representatives of businesses and comment by representatives of labor organizations, and input into the development of the local plan, prior to submission of the plan;

(8) an identification of the entity responsible for the disbursement of grant funds described in section 117(d)(3)(B)(i)(III), as determined by the chief elected official or the Governor under section 117(d)(3)(B)(i);

(9) a description of the competitive process to be used to award the grants and contracts in the local area for activities carried out under this subtitle; and

(10) such other information as the Governor may require.

(c) PROCESS.—Prior to the date on which the local board submits a local plan under this section, the local board shall—

(1) make available copies of a proposed local plan to the public through such means as public hearings and local news media;

(2) allow members of the local board and members of the public, including representatives of business and representatives of labor organizations, to submit comments on the proposed local plan to the local board, not later than the end of the 30-day period beginning on the date on which the proposed local plan is made available; and

(3) include with the local plan submitted to the Governor under this section any such comments that represent disagreement with the plan.

(d) PLAN SUBMISSION AND APPROVAL.—A local plan submitted to the Governor under this section shall be considered to be approved by the Governor at the end of the 90-day period beginning on the day the Governor receives the plan, unless the Governor makes a written determination during the 90-day period that—

(1) deficiencies in activities carried out under this subtitle have been identified, through audits conducted under section 184 or otherwise, and the local area has not made acceptable progress in implementing corrective measures to address the deficiencies; or

(2) the plan does not comply with this title.

**CHAPTER 3—WORKFORCE INVESTMENT ACTIVITIES
PROVIDERS**

SEC. 121. ESTABLISHMENT OF ONE-STOP DELIVERY SYSTEMS.

29 USC 2841.

(a) **IN GENERAL.**—Consistent with the State plan, the local board for a local area, with the agreement of the chief elected official for the local area, shall—

(1) develop and enter into the memorandum of understanding described in subsection (c) with one-stop partners;

Contracts.

(2) designate or certify one-stop operators under subsection (d); and

(3) conduct oversight with respect to the one-stop delivery system in the local area.

(b) **ONE-STOP PARTNERS.**—

(1) **REQUIRED PARTNERS.**—

(A) **IN GENERAL.**—Each entity that carries out a program or activities described in subparagraph (B) shall—

(i) make available to participants, through a one-stop delivery system, the services described in section 134(d)(2) that are applicable to such program or activities; and

(ii) participate in the operation of such system consistent with the terms of the memorandum described in subsection (c), and with the requirements of the Federal law in which the program or activities are authorized.

(B) **PROGRAMS AND ACTIVITIES.**—The programs and activities referred to in subparagraph (A) consist of—

(i) programs authorized under this title;

(ii) programs authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.);

(iii) adult education and literacy activities authorized under title II;

(iv) programs authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.);

(v) programs authorized under section 403(a)(5) of the Social Security Act (42 U.S.C. 603(a)(5)) (as added by section 5001 of the Balanced Budget Act of 1997);

(vi) activities authorized under title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.);

(vii) postsecondary vocational education activities authorized under the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.);

(viii) activities authorized under chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.);

(ix) activities authorized under chapter 41 of title 38, United States Code;

(x) employment and training activities carried out under the Community Services Block Grant Act (42 U.S.C. 9901 et seq.);

(xi) employment and training activities carried out by the Department of Housing and Urban Development; and

(xii) programs authorized under State unemployment compensation laws (in accordance with applicable Federal law).

(2) ADDITIONAL PARTNERS.—

(A) IN GENERAL.—In addition to the entities described in paragraph (1), other entities that carry out a human resource program described in subparagraph (B) may—

(i) make available to participants, through the one-stop delivery system, the services described in section 134(d)(2) that are applicable to such program; and

(ii) participate in the operation of such system consistent with the terms of the memorandum described in subsection (c), and with the requirements of the Federal law in which the program is authorized; if the local board and chief elected official involved approve such participation.

(B) PROGRAMS.—The programs referred to in subparagraph (A) may include—

(i) programs authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

(ii) programs authorized under section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4));

(iii) work programs authorized under section 6(o) of the Food Stamp Act of 1977 (7 U.S.C. 2015(o));

(iv) programs authorized under the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.); and

(v) other appropriate Federal, State, or local programs, including programs in the private sector.

(c) MEMORANDUM OF UNDERSTANDING.—

(1) DEVELOPMENT.—The local board, with the agreement of the chief elected official, shall develop and enter into a memorandum of understanding (between the local board and the one-stop partners), consistent with paragraph (2), concerning the operation of the one-stop delivery system in the local area.

(2) CONTENTS.—Each memorandum of understanding shall contain—

(A) provisions describing—

(i) the services to be provided through the one-stop delivery system;

(ii) how the costs of such services and the operating costs of the system will be funded;

(iii) methods for referral of individuals between the one-stop operator and the one-stop partners, for the appropriate services and activities; and

(iv) the duration of the memorandum and the procedures for amending the memorandum during the term of the memorandum; and

(B) such other provisions, consistent with the requirements of this title, as the parties to the agreement determine to be appropriate.

(d) ONE-STOP OPERATORS.—

(1) DESIGNATION AND CERTIFICATION.—Consistent with paragraphs (2) and (3), the local board, with the agreement of the chief elected official, is authorized to designate or certify

one-stop operators and to terminate for cause the eligibility of such operators.

(2) **ELIGIBILITY.**—To be eligible to receive funds made available under this subtitle to operate a one-stop center referred to in section 134(c), an entity (which may be a consortium of entities)—

(A) shall be designated or certified as a one-stop operator—

(i) through a competitive process; or

(ii) in accordance with an agreement reached between the local board and a consortium of entities that, at a minimum, includes 3 or more of the one-stop partners described in subsection (b)(1); and

(B) may be a public or private entity, or consortium of entities, of demonstrated effectiveness, located in the local area, which may include—

(i) a postsecondary educational institution;

(ii) an employment service agency established under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), on behalf of the local office of the agency;

(iii) a private, nonprofit organization (including a community-based organization);

(iv) a private for-profit entity;

(v) a government agency; and

(vi) another interested organization or entity, which may include a local chamber of commerce or other business organization.

(3) **EXCEPTION.**—Elementary schools and secondary schools shall not be eligible for designation or certification as one-stop operators, except that nontraditional public secondary schools and area vocational education schools shall be eligible for such designation or certification.

(e) **ESTABLISHED ONE-STOP DELIVERY SYSTEM.**—If a one-stop delivery system has been established in a local area prior to the date of enactment of this Act, the local board, the chief elected official, and the Governor involved may agree to certify an entity carrying out activities through the system as a one-stop operator for purposes of subsection (d), consistent with the requirements of subsection (b), of the memorandum of understanding, and of section 134(c).

SEC. 122. IDENTIFICATION OF ELIGIBLE PROVIDERS OF TRAINING SERVICES. 29 USC 2842.

(a) **ELIGIBILITY REQUIREMENTS.**—

(1) **IN GENERAL.**—Except as provided in subsection (h), to be identified as an eligible provider of training services described in section 134(d)(4) (referred to in this section as “training services”) in a local area and to be eligible to receive funds made available under section 133(b) for the provision of training services, a provider of such services shall meet the requirements of this section.

(2) **PROVIDERS.**—Subject to the provisions of this section, to be eligible to receive the funds, the provider shall be—

(A) a postsecondary educational institution that—

(i) is eligible to receive Federal funds under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.); and

(ii) provides a program that leads to an associate degree, baccalaureate degree, or certificate;

(B) an entity that carries out programs under the Act of August 16, 1937 (commonly known as the “National Apprenticeship Act”; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.); or

(C) another public or private provider of a program of training services.

(b) INITIAL ELIGIBILITY DETERMINATION.—

(1) POSTSECONDARY EDUCATIONAL INSTITUTIONS AND ENTITIES CARRYING OUT APPRENTICESHIP PROGRAMS.—To be initially eligible to receive funds as described in subsection (a) to carry out a program described in subparagraph (A) or (B) of subsection (a)(2), a provider described in subparagraph (A) or (B), respectively, of subsection (a)(2) shall submit an application, to the local board for the local area in which the provider desires to provide training services, at such time, in such manner, and containing such information as the local board may require.

(2) OTHER ELIGIBLE PROVIDERS.—

(A) PROCEDURE.—Each Governor of a State shall establish a procedure for use by local boards in the State in determining the initial eligibility of a provider described in subsection (a)(2)(C) to receive funds as described in subsection (a) for a program of training services, including the initial eligibility of—

(i) a postsecondary educational institution to receive such funds for a program not described in subsection (a)(2)(A); and

(ii) a provider described in subsection (a)(2)(B) to receive such funds for a program not described in subsection (a)(2)(B).

(B) RECOMMENDATIONS.—In developing such procedure, the Governor shall solicit and take into consideration the recommendations of local boards and providers of training services within the State.

(C) OPPORTUNITY TO SUBMIT COMMENTS.—The Governor shall provide an opportunity, during the development of the procedure, for interested members of the public, including representatives of business and labor organizations, to submit comments on such procedure.

(D) REQUIREMENTS.—In establishing the procedure, the Governor shall require that, to be initially eligible to receive funds as described in subsection (a) for a program, a provider described in subsection (a)(2)(C)—

(i) shall submit an application, to the local board for the local area in which the provider desires to provide training services, at such time and in such manner as may be required, and containing a description of the program;

(ii) if the provider provides training services through a program on the date of application, shall include in the application an appropriate portion of the performance information and program cost information described in subsection (d) for the program,

as specified in the procedure, and shall meet appropriate levels of performance for the program, as specified in the procedure; and

(iii) if the provider does not provide training services on such date, shall meet appropriate requirements, as specified in the procedure.

(c) SUBSEQUENT ELIGIBILITY DETERMINATION.—

(1) PROCEDURE.—Each Governor of a State shall establish a procedure for use by local boards in the State in determining the eligibility of a provider described in subsection (a)(2) to continue to receive funds as described in subsection (a) for a program after an initial period of eligibility under subsection (b) (referred to in this section as “subsequent eligibility”).

(2) RECOMMENDATIONS.—In developing such procedure, the Governor shall solicit and take into consideration the recommendations of local boards and providers of training services within the State.

(3) OPPORTUNITY TO SUBMIT COMMENTS.—The Governor shall provide an opportunity, during the development of the procedure, for interested members of the public, including representatives of business and labor organizations, to submit comments on such procedure.

(4) CONSIDERATIONS.—In developing such procedure, the Governor shall ensure that the procedure requires the local boards to take into consideration, in making the determinations of subsequent eligibility—

(A) the specific economic, geographic, and demographic factors in the local areas in which providers seeking eligibility are located; and

(B) the characteristics of the populations served by providers seeking eligibility, including the demonstrated difficulties in serving such populations, where applicable.

(5) REQUIREMENTS.—In establishing the procedure, the Governor shall require that, to be eligible to continue to receive funds as described in subsection (a) for a program after the initial period of eligibility, a provider described in subsection (a)(2) shall—

(A) submit the performance information and program cost information described in subsection (d)(1) for the program and any additional information required to be submitted in accordance with subsection (d)(2) for the program annually to the appropriate local board at such time and in such manner as may be required; and

(B) annually meet the performance levels described in paragraph (6) for the program, as demonstrated utilizing quarterly records described in section 136, in a manner consistent with section 136.

(6) LEVELS OF PERFORMANCE.—

(A) IN GENERAL.—At a minimum, the procedure described in paragraph (1) shall require the provider to meet minimum acceptable levels of performance based on the performance information referred to in paragraph (5)(A).

(B) HIGHER LEVELS OF PERFORMANCE ELIGIBILITY.—The local board may require higher levels of performance

than the levels referred to in subparagraph (A) for subsequent eligibility to receive funds as described in subsection (a).

(d) PERFORMANCE AND COST INFORMATION.—

(1) REQUIRED INFORMATION.—For a provider of training services to be determined to be subsequently eligible under subsection (c) to receive funds as described in subsection (a), such provider shall, under subsection (c), submit—

(A) verifiable program-specific performance information consisting of—

(i) program information, including—

(I) the program completion rates for all individuals participating in the applicable program conducted by the provider;

(II) the percentage of all individuals participating in the applicable program who obtain unsubsidized employment, which may also include information specifying the percentage of the individuals who obtain unsubsidized employment in an occupation related to the program conducted; and

(III) the wages at placement in employment of all individuals participating in the applicable program; and

(ii) training services information for all participants who received assistance under section 134 to participate in the applicable program, including—

(I) the percentage of participants who have completed the applicable program and who are placed in unsubsidized employment;

(II) the retention rates in unsubsidized employment of participants who have completed the applicable program, 6 months after the first day of the employment;

(III) the wages received by participants who have completed the applicable program, 6 months after the first day of the employment involved; and

(IV) where appropriate, the rates of licensure or certification, attainment of academic degrees or equivalents, or attainment of other measures of skills, of the graduates of the applicable program; and

(B) information on program costs (such as tuition and fees) for participants in the applicable program.

(2) ADDITIONAL INFORMATION.—Subject to paragraph (3), in addition to the performance information described in paragraph (1)—

(A) the Governor may require that a provider submit, under subsection (c), such other verifiable program-specific performance information as the Governor determines to be appropriate to obtain such subsequent eligibility, which may include information relating to—

(i) retention rates in employment and the subsequent wages of all individuals who complete the applicable program;

(ii) where appropriate, the rates of licensure or certification of all individuals who complete the program; and

(iii) the percentage of individuals who complete the program who attain industry-recognized occupational skills in the subject, occupation, or industry for which training is provided through the program, where applicable; and

(B) the Governor, or the local board, may require a provider to submit, under subsection (c), other verifiable program-specific performance information to obtain such subsequent eligibility.

(3) CONDITIONS.—

(A) IN GENERAL.—If the Governor or a local board requests additional information under paragraph (2) that imposes extraordinary costs on providers, or if providers experience extraordinary costs in the collection of information required under paragraph (1)(A)(ii), the Governor or the local board shall provide access to cost-effective methods for the collection of the information involved, or the Governor shall provide additional resources to assist providers in the collection of such information from funds made available as described in sections 128(a) and 133(a)(1), as appropriate.

(B) HIGHER EDUCATION ELIGIBILITY REQUIREMENTS.—The local board and the designated State agency described in subsection (i) may accept program-specific performance information consistent with the requirements for eligibility under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) from a provider for purposes of enabling the provider to fulfill the applicable requirements of this subsection, if such information is substantially similar to the information otherwise required under this subsection.

(e) LOCAL IDENTIFICATION.—

(1) IN GENERAL.—The local board shall place on a list providers submitting an application under subsection (b)(1) and providers determined to be initially eligible under subsection (b)(2), and retain on the list providers determined to be subsequently eligible under subsection (c), to receive funds as described in subsection (a) for the provision of training services in the local area served by the local board. The list of providers shall be accompanied by any performance information and program cost information submitted under subsection (b) or (c) by the provider.

(2) SUBMISSION TO STATE AGENCY.—On placing or retaining a provider on the list, the local board shall submit, to the designated State agency described in subsection (i), the list and the performance information and program cost information referred to in paragraph (1). If the agency determines, within 30 days after the date of the submission, that the provider does not meet the performance levels described in subsection (c)(6) for the program (where applicable), the agency may remove the provider from the list for the program. The agency may not remove from the list an agency submitting an application under subsection (b)(1).

Records.

(3) IDENTIFICATION OF ELIGIBLE PROVIDERS.—A provider who is placed or retained on the list under paragraph (1), and is not removed by the designated State agency under paragraph (2), for a program, shall be considered to be identified as an eligible provider of training services for the program.

(4) AVAILABILITY.—

(A) STATE LIST.—The designated State agency shall compile a single list of the providers identified under paragraph (3) from all local areas in the State and disseminate such list, and the performance information and program cost information described in paragraph (1), to the one-stop delivery systems within the State. Such list and information shall be made widely available to participants in employment and training activities authorized under section 134 and others through the one-stop delivery system.

(B) SELECTION FROM STATE LIST.—Individuals eligible to receive training services under section 134(d)(4) shall have the opportunity to select any of the eligible providers, from any of the local areas in the State, that are included on the list described in subparagraph (A) to provide the services, consistent with the requirements of section 134.

(5) ACCEPTANCE OF INDIVIDUAL TRAINING ACCOUNTS BY OTHER STATES.—States may enter into agreements, on a reciprocal basis, to permit eligible providers of training services in a State to accept individual training accounts provided in another State.

(f) ENFORCEMENT.—

(1) ACCURACY OF INFORMATION.—If the designated State agency, after consultation with the local board involved, determines that an eligible provider or individual supplying information on behalf of the provider intentionally supplies inaccurate information under this section, the agency shall terminate the eligibility of the provider to receive funds described in subsection (a) for any program for a period of time, but not less than 2 years.

(2) NONCOMPLIANCE.—If the designated State agency, or the local board working with the State agency, determines that an eligible provider described in subsection (a) substantially violates any requirement under this Act, the agency, or the local board working with the State agency, may terminate the eligibility of such provider to receive funds described in subsection (a) for the program involved or take such other action as the agency or local board determines to be appropriate.

(3) REPAYMENT.—A provider whose eligibility is terminated under paragraph (1) or (2) for a program shall be liable for repayment of all funds described in subsection (a) received for the program during any period of noncompliance described in such paragraph.

(4) CONSTRUCTION.—This subsection and subsection (g) shall be construed to provide remedies and penalties that supplement, but do not supplant, other civil and criminal remedies and penalties.

Procedures.

(g) APPEAL.—The Governor shall establish procedures for providers of training services to appeal a denial of eligibility by the local board or the designated State agency under subsection (b), (c), or (e), a termination of eligibility or other action by the

board or agency under subsection (f), or a denial of eligibility by a one-stop operator under subsection (h). Such procedures shall provide an opportunity for a hearing and prescribe appropriate time limits to ensure prompt resolution of the appeal.

(h) ON-THE-JOB TRAINING OR CUSTOMIZED TRAINING EXCEPTION.—

(1) IN GENERAL.—Providers of on-the-job training or customized training shall not be subject to the requirements of subsections (a) through (e).

(2) COLLECTION AND DISSEMINATION OF INFORMATION.—A one-stop operator in a local area shall collect such performance information from on-the-job training and customized training providers as the Governor may require, determine whether the providers meet such performance criteria as the Governor may require, and disseminate information identifying providers that meet the criteria as eligible providers, and the performance information, through the one-stop delivery system. Providers determined to meet the criteria shall be considered to be identified as eligible providers of training services.

(i) ADMINISTRATION.—The Governor shall designate a State agency to make the determinations described in subsection (e)(2), take the enforcement actions described in subsection (f), and carry out other duties described in this section.

SEC. 123. IDENTIFICATION OF ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES. 29 USC 2843.

From funds allocated under paragraph (2)(A) or (3) of section 128(b) to a local area, the local board for such area shall identify eligible providers of youth activities by awarding grants or contracts on a competitive basis, based on the recommendations of the youth council and on the criteria contained in the State plan, to the providers to carry out the activities, and shall conduct oversight with respect to the providers, in the local area.

CHAPTER 4—YOUTH ACTIVITIES

SEC. 126. GENERAL AUTHORIZATION. 29 USC 2851.

The Secretary shall make an allotment under section 127(b)(1)(C) to each State that meets the requirements of section 112 and a grant to each outlying area that complies with the requirements of this title, to assist the State or outlying area, and to enable the State or outlying area to assist local areas, for the purpose of providing workforce investment activities for eligible youth in the State or outlying area and in the local areas.

SEC. 127. STATE ALLOTMENTS. 29 USC 2852.

(a) IN GENERAL.—The Secretary shall—

(1) for each fiscal year in which the amount appropriated under section 137(a) exceeds \$1,000,000,000, reserve a portion determined under subsection (b)(1)(A) of the amount appropriated under section 137(a) for use under sections 167 (relating to migrant and seasonal farmworker programs) and 169 (relating to youth opportunity grants); and

(2) use the remainder of the amount appropriated under section 137(a) for a fiscal year to make allotments and grants in accordance with subparagraphs (B) and (C) of subsection (b)(1) and make funds available for use under section 166 (relating to Native American programs).

(b) ALLOTMENT AMONG STATES.—

(1) YOUTH ACTIVITIES.—

(A) YOUTH OPPORTUNITY GRANTS.—

(i) IN GENERAL.—For each fiscal year in which the amount appropriated under section 137(a) exceeds \$1,000,000,000, the Secretary shall reserve a portion of the amount to provide youth opportunity grants and other activities under section 169 (relating to youth opportunity grants) and provide youth activities under section 167 (relating to migrant and seasonal farm-worker programs).

(ii) PORTION.—The portion referred to in clause (i) shall equal, for a fiscal year—

(I) except as provided in subclause (II), the difference obtained by subtracting \$1,000,000,000 from the amount appropriated under section 137(a) for the fiscal year; or

(II) for any fiscal year in which the amount is \$1,250,000,000 or greater, \$250,000,000.

(iii) YOUTH ACTIVITIES FOR FARMWORKERS.—From the portion described in clause (i) for a fiscal year, the Secretary shall make available 4 percent of such portion to provide youth activities under section 167.

(iv) ROLE MODEL ACADEMY PROJECT.—From the portion described in clause (i) for fiscal year 1999, the Secretary shall make available such sums as the Secretary determines to be appropriate to carry out section 169(g).

(B) OUTLYING AREAS.—

(i) IN GENERAL.—From the amount made available under subsection (a)(2) for a fiscal year, the Secretary shall reserve not more than $\frac{1}{4}$ of 1 percent of the amount appropriated under section 137(a) for the fiscal year—

(I) to provide assistance to the outlying areas to carry out youth activities and statewide workforce investment activities; and

(II) for each of fiscal years 1999, 2000, and 2001, to carry out the competition described in clause (ii), except that the funds reserved to carry out such clause for any such fiscal year shall not exceed the amount reserved for the Freely Associated States for fiscal year 1997, from amounts reserved under sections 252(a) and 262(a)(1) of the Job Training Partnership Act (as in effect on the day before the date of enactment of this Act).

(ii) LIMITATION FOR FREELY ASSOCIATED STATES.—

(I) COMPETITIVE GRANTS.—The Secretary shall use funds described in clause (i)(II) to award grants to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Freely Associated States to carry out youth activities and statewide workforce investment activities.

(II) AWARD BASIS.—The Secretary shall award grants pursuant to subclause (I) on a competitive basis and pursuant to the recommendations of experts in the field of employment and training,

Territories.



2012-13 Conflict of Interest Disclosure Form

To support the Central Minnesota Jobs and Training Service, Inc. (CMJTS) Code of Ethics and Conflict of Interest Policy, it is the procedure of the organization to request a statement from each Central Minnesota Joint Powers Board and Workforce Investment Board member and CMJTS employee disclosing, in writing, any potential conflict of interest on the part of the board member or employee and/or their immediate family, partner or an organization which employs, or is about to employ, any of the above, which may exist in connection with any transactions or proposed transactions with the board where involvement of financial interest may occur.

Organization	Position/Nature of Involvement
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In conjunction with our Form 990 reporting requirements, CMJTS, hereafter referred to as the organization, is required to disclose business and family relationships between key individuals in the organization. Through this questionnaire, CMJTS is performing its due diligence to secure the necessary information.

The disclosure of conflict of interest is required by law to report potential conflict of interest in respect to transactions of familial, financial, professional, and employment relationships. The details provided within this document will be held in strictest confidence and will only be used to determine reporting requirements.

Key Individuals are individual members of the Central Minnesota Joint Powers Board (JPB) and Workforce Investment Board (WIB), and the CMJTS Leadership Team.

1. Are you aware that as an individual (listed above) you must annually disclose any potential conflicts of interest?
 Yes No

2. Are you aware that at any point you become involved in a potential conflict of interest that you must immediately report it to the organization’s chief executive or WIB chair?
 Yes No

4. Did you (a key individual listed above) serve as an officer, director, board member, or key employee of an entity doing business with the organization?

Yes No

If you answered YES, please provide details: _____

5. Did you (a key individual listed above) at any time during the tax year have a direct business relationship with the organization (other than as an officer, director, board member, or key employee) or an indirect business relationship through ownership of more than 35% in another entity?

Yes No

If you answered YES, please provide details: _____

6. Did the organization provide a grant, program assistance or other financial payments to you (an individual listed above) and/or to any of your family members as outlined above?

Yes No

If you answered YES, please provide details: _____

7. I have read and understand this Conflict of Interest Policy and agree to be bound by it. I will promptly inform the organization's chief executive or WIB chair of any material change that develops in the information contained in the foregoing statement.

Yes No

In the event that any management or funding decision that involves any matter which I, or a member of my immediate family or partner have any financial interest, or any transaction with any entity in which I act as a director or officer, I will notify the board chair or chief executive of the existence and extent of such interest or capacity and will abide by the Conflict of Interest Policy and direction therein. I will, of course, make available to the board chair or chief executive any pertinent information in my possession with respect to such matters that should be properly disclosed.

Name (please print): _____

Signature: _____ **Date:** _____



Formerly the National Center for Nonprofit Boards



The Sarbanes-Oxley Act and Implications for Nonprofit Organizations

BoardSource and Independent Sector wish to thank Dan Moore, Vice President for Public Affairs, GuideStar; Tom Hyatt, Principal, Ober Kaler; and Paul Nelson, President, Evangelical Council for Financial Accountability, for sharing their professional insights and expertise on this document.

Information and guidance in this document is provided with the understanding that BoardSource and Independent Sector are not engaged in rendering professional opinions. If such opinions are required, the services of a certified public accountant or an attorney should be sought.

This paper was revised in January 2006 to reflect changes in laws relating to, and practices of, nonprofit organizations.

The Sarbanes-Oxley Act was signed into law on July 30, 2002. Passed in response to the corporate and accounting scandals of Enron, Tyco, and others of 2001 and 2002, the law's purpose is to rebuild public trust in America's corporate sector. The law requires that publicly traded companies adhere to significant new governance standards that broaden board members' roles in overseeing financial transactions and auditing procedures.

While nearly all of the provisions of the Act apply only to publicly traded corporations, the passage of the bill served as a wake-up call to the entire nonprofit community. Indeed, several state legislatures have already passed or are considering legislation containing elements of the Sarbanes-Oxley Act to be applied to nonprofit organizations. In many instances, nonprofit organizations have adopted policies and altered governance practices in response to the Act.

Nonprofit leaders should look carefully at the provisions of Sarbanes-Oxley, as well as their state laws, and determine whether their organizations ought to voluntarily adopt governance best practices, even if not mandated by law. This report will review those provisions and assess their relevance to nonprofit organizations.

Finally, it is important to note that two provisions of Sarbanes-Oxley apply to all entities, including nonprofit organizations. This report will also review those features of the Act that require immediate nonprofit compliance.

MAIN PROVISIONS OF THE SARBANES-OXLEY ACT

With two notable exceptions, the Sarbanes-Oxley Act affects only American publicly traded companies and regulates what boards must do to ensure auditors' independence from their clients. The Act also creates and defines the role of the Public Company Accounting Oversight Board, an entity empowered to enforce standards for audits of public companies. The Act explains processes for electing competent audit committee members and for ensuring that adequate reporting procedures are in place. In addition, it calls for regulations, and closes most of the loopholes, for all enterprises — for-profit and nonprofit — relating to document destruction and whistle-blower protection.

The following sections cover each of the major provisions of the law and discuss their relevance to nonprofit organizations. In addition, BoardSource and Independent Sector offer recommendations for how nonprofit leaders should implement various provisions of the law.

INDEPENDENT AND COMPETENT AUDIT COMMITTEE

SUMMARY OF SARBANES-OXLEY PROVISION

The Sarbanes-Oxley Act requires that each member of a company's audit committee be a member of the board of directors and be independent. "Independence" in the Act is defined as not being part of the management team and not receiving any compensation (either directly or indirectly) from the company as a consultant for other professional services, though board service may be compensated.

In addition, a company must disclose whether it has at least one “financial expert” serving on its audit committee. If it does not have such an expert, it must disclose the rationale behind that decision. Who qualifies as a “financial expert” is still being debated. The Securities and Exchange Commission (SEC) proposes a definition that relies on an individual’s education and experience as a public accountant, auditor, or principal accounting officer. At present, however, the company’s board seems to retain the final right to establish specific qualifications for a financial expert.

The audit committee is directly responsible for hiring, setting compensation, and overseeing the auditor’s activities. It sets rules and processes for complaints concerning accounting and internal control practices.

RELEVANCE TO NONPROFIT BOARDS

While not all nonprofits conduct outside audits, most nonprofit boards have established one or more financial committees (e.g., finance, audit, and/or investment). In those organizations that undertake annual audits, particularly medium to large nonprofit organizations, the board is likely to have a separate audit committee or subcommittee. In California, the Nonprofit Integrity Act of 2004 requires that any charity registered with the attorney general and receiving annual gross revenues of \$2 million or more must form an audit committee. Several other states have adopted similar rules, albeit at varying gross revenue thresholds.

It is good practice for nonprofit organizations to take steps to ensure the independence of the audit committee. While most nonprofit board members serve as volunteers without any compensation and staff members do not participate as voting members, all nonprofit organizations should review their practices to ensure the independence of the audit committee. Also, many states provide additional liability protection for volunteer directors that may be lost if the directors are compensated for their service.

Because of recruitment priorities to create a well-balanced and diverse board, finding people with financial savvy may be challenging for boards. Nonprofit organizations need to ensure that board members of the audit committee have the financial competency to understand financial statements, to evaluate accounting firm bids to undertake auditing, and to make sound financial decisions as part of their fiduciary responsibilities. A nonprofit that has a limited number of financial experts on its board may struggle with filling the treasurer’s position, a finance committee, and an audit committee.

RECOMMENDATIONS

While it is too onerous to demand that all nonprofit organizations undertake a full audit, the board is responsible for assessing the potential benefits and costs of an independent audit. Nonprofits that expend more than \$500,000 of federal funds are required to conduct an annual audit. In addition, participating in the Combined Federal Campaign requires an audit at \$100,000. Any other charitable organization with \$1 million or more in total annual revenues (excluding houses of worship or other organizations that are exempt from filing Form 990) should have an audit conducted of their financial

statements and consider attaching a copy to their Form 990 or 990-PF. Smaller charities with revenues of at least \$250,000 should choose a review or at least have their financial statements compiled by a professional accountant. The boards of nonprofit organizations that forego an audit should evaluate that decision periodically.

All nonprofit organizations that conduct outside audits, particularly medium to large organizations, should consider forming an audit committee and should separate the audit committee from the finance committee.

The audit committee should be composed of individuals who are not compensated for their service on this committee and do not have a financial interest in or any other conflict of interest with any entity doing business with the organization. Most nonprofit organizations have volunteer board members. Nonprofit organizations that do compensate board members should not compensate audit committee members for their additional service. In addition, all nonprofits should ensure that no members of staff, including the chief executive, serve on the audit committee, although it is reasonable to have the chief financial officer provide staff support to the audit committee. The chair of the audit committee should be a board member and it is reasonable to expect that the majority of the committee members are board members.

The audit committee should ensure that the auditing firm has the requisite skills and experience to carry out the auditing function for the organization and that its performance is carefully reviewed.

The audit committee should meet with the auditor, review the annual audit, and recommend its approval or modification to the full board. The full board should review the annual audit and the audit committee's report and recommendations. Ideally the full board would also desire to meet with the auditor before formally accepting or rejecting the audit.

At least one member of the audit committee should meet the criteria of financial expert and have adequate financial savvy to understand, analyze, and reasonably assess the financial statements of the organization and the competency of the auditing firm. This may be a non-director advisory member where permitted by state law.

Orientation of board members should include financial literacy training.

To support the accounting field and help ensure that nonprofit boards have available financial expertise, professional accreditation and membership organizations of accountants should require CPAs to participate in a pro bono nonprofit board service program.

RESPONSIBILITIES OF AUDITORS

SUMMARY OF SARBANES-OXLEY PROVISIONS

The Sarbanes-Oxley Act requires that the lead and reviewing partner of the auditing firm rotate off of the audit every five years. This does not necessarily mean that the auditing firm must be changed, although that may be the most direct way to comply with this requirement.

In addition, the Act prohibits the auditing firm from providing most non-audit services to the company concurrent with auditing services. This prohibition applies to bookkeeping, financial information systems, appraisal services, actuarial services, management or human resource services, investment advice, legal services, and other expert services unrelated to the audit. The board's audit committee may, however, pre-approve certain services (not included in the above categories), such as tax preparation, which can then be carried out by the auditing firm. In addition, the pre-approval requirement is waived for non-auditing services if the value of the non-auditing services is less than five percent of the total amount paid by the organization to the auditing firm for auditing services.

The Act also requires that the auditing firm report to the audit committee all "critical accounting policies and practices" that are used by the organization, discussed with management, and represent the preferred way management wants these policies and practices treated. These critical accounting practices include methods, assumptions, and judgments underlying the preparation of financial statements according to generally accepted accounting principles (GAAP) and assurance that any results would be disclosed in case of changed assumptions.

RELEVANCE TO NONPROFIT BOARDS

Changing auditors (partner or firm) every five years should be considered on a regular basis. The rationale: Auditing firms may grow accustomed to the financial procedures within one organization after a certain number of years, and bringing in a new firm helps ensure that all practices are closely examined.

Nonprofit organizations would be well served to adopt the Sarbanes-Oxley rule of preventing auditing firms from providing non-auditing services, as this provision precludes a conflict of interest between the auditing firm and the client. At a minimum, application of the rule should be considered in each case. At the same time, certain services can be pre-approved by the audit committee, and there is no reason why tax services and preparation of the Form 990 or 990-PF (for private foundations), for example, could not and should not be undertaken by a nonprofit's auditing firm. This can also ensure that certain economies are achieved for the client.

Finally, the provisions about disclosure to the audit committee of critical accounting policies and discussions with management also seem to follow good practice. Greater disclosure of these internal control practices and management's views on them will foster more informed judgments by the audit committee, enhanced oversight by the board, and greater transparency. The critical accounting practices would include processes for segregation of duties, policies to use restricted funds for intended purposes, processes to review off-balance sheet transactions, and procedures for monitoring inventory fluctuations. In addition, the audit committee may be an effective committee for overseeing implementation and enforcement of the governing body's conflict-of-interest policy.

RECOMMENDATIONS

Large nonprofits should consider rotating at least the lead and reviewing partners of the audit firm every five years.

Nonprofit organizations should be cautious when using their auditing firms to provide non-auditing services except for tax preparation, which should be approved in advance, while the firm is contracted to provide auditing services.

The audit committee should require each auditing firm to disclose to the committee all critical accounting policies and practices used within the organization as well as share with the committee any discussions with management about such policies and practices.

CERTIFIED FINANCIAL STATEMENTS

SUMMARY OF SARBANES-OXLEY PROVISIONS

The chief executive and the chief financial officers must certify the appropriateness of financial statements and that they fairly present the financial condition and operations of the company. There are criminal sanctions for false certification, but violations of this statute must be knowing and intentional to give rise to liability.

In addition, to avoid conflicts of interest, the CEO, CFO, controller, and chief accounting officer cannot have worked for the auditing firm for one year preceding the audit.

RELEVANCE TO NONPROFIT ORGANIZATIONS

Any CFO who is responsible for generating timely and accurate financial statements for the company or organization should feel comfortable about certifying document integrity.

In a for-profit company, a positive bottom line is the CEO's responsibility. Business acumen, capacity to interpret financial statements in detail, and skillfulness in convincing the board and shareholders that the corporation is meeting all expectations are obvious characteristics in a manager. Likewise, a nonprofit chief executive may be handicapped without adequate financial skills. He or she may be hired, however, primarily for other qualities. Nonprofit CEOs may excel in fundraising, knowledge of the organization's field of interest, or a variety of other skills. Lack of superior financial prowess must be complemented by a skillful financial officer; without that person, the organization cannot convince donors and funders that their money is properly managed. Nevertheless, it is still the responsibility of the CEO to ensure good stewardship of the organization's resources.

Under Sarbanes-Oxley, CEO and CFO certification carries with it the weight of the law, but part of the underlying rationale is to ensure that both the CEO and CFO know and understand the financial statements. For a nonprofit organization, CEO and CFO sign-off on financial statements would not carry the weight of law (although some states are now considering adopting a similar requirement), but it

would signal the importance that the CEO, in particular, attaches to understanding the nonprofit's financial condition.

For nonprofit organizations, a key financial document is the Form 990 or 990-PF. The form requires a signature from an officer of the organization. Research from a number of studies reveals that the accuracy of these forms leaves much to be desired. Many of the errors in the Form 990 and 990-PF relate to failures to complete all forms, including Schedule A. Other problems include presenting an inaccurate report on fundraising costs, thereby distorting the required financial picture of the organization's operations. Thus, it is critical that nonprofit organizations examine their financial systems, policies, and reporting to help improve the accuracy and completeness of these forms.

There is, in all likelihood, considerably less staff movement in the nonprofit world between accounting firms and client organizations than there is in the for-profit world. Furthermore, because nonprofit executives do not receive lucrative stock options, the relevance of possible conflicts of interest from an auditor joining the executive staff of a nonprofit client is correspondingly less.

RECOMMENDATIONS

CEOs or CFOs, while they need not certify the financial statements of the organization, do need to fully understand such reports and make sure they are accurate and complete. Signing off provides formal assurance that both the CEO and the CFO have reviewed them carefully and stand by them.

The CEO and CFO should review the Form 990 or 990-PF before it is submitted to ensure that it is accurate, complete, and filed on time.

Regardless of whether the CEO and CFO certify the financial report, the board has the ultimate fiduciary responsibility for approving financial reports. Just as the financial and audit reports are reviewed and approved by the audit committee and the board, the Form 990 or 990-PF should also be reviewed and approved. At a time when the Form 990 and 990-PF are published on the Internet by third parties, it is more important than ever that directors be familiar with the contents of the organization's 990 each year.

INSIDER TRANSACTIONS AND CONFLICTS OF INTEREST

SUMMARY OF SARBANES-OXLEY PROVISION

The Act generally prohibits loans to any directors or executives of the company.

RELEVANCE TO NONPROFIT ORGANIZATIONS

Nonprofits are currently highly regulated with respect to financial transactions that take place within the organization. Private inurement, excessive personal benefit, and self-dealing all cause serious penalties for any nonprofit that steps out of line. "Intermediate sanctions" laws specifically address compensation and excess benefit transactions with "disqualified" individuals, generally board members and executive staff.

Providing private loans to insiders — the specific item included in the Sarbanes-Oxley Act - is not a common practice in the nonprofit sector. However, when it has occurred, it has caused problems either from the perception of a conflict of interest or because it has not been appropriately documented as part of executive compensation. In addition, in some states, nonprofit law expressly prohibits loans to directors and officers.

RECOMMENDATIONS

Because the practice of providing loans to nonprofit executives has been a source of trouble in the past and because this practice is specifically prohibited under Sarbanes-Oxley and in some states, it is strongly recommended that nonprofit organizations not provide personal loans to directors or executives.

If such loans are provided, they should be formally approved by the board, the process for providing the loan should be documented, and the value and terms of the loan should be disclosed.

To guide the board and staff in independent decision making, the organization must have a conflict-of-interest policy with board members annually disclosing their potential conflicts of interest, and this policy must be enforced without fail.

DISCLOSURE

SUMMARY OF SARBANES-OXLEY PROVISION

The Sarbanes-Oxley Act requires a number of disclosures, including information on internal control mechanisms, corrections to past financial statements, and material off balance sheet transactions (adjustments). The Act also requires companies to disclose information on material changes in the operations or financial situation of the company on a rapid and current basis.

RELEVANCE TO NONPROFIT ORGANIZATIONS

While nonprofit organizations do not file most of the reports that publicly traded companies are required to file, they should nevertheless provide their donors, clients, public officials, the media, and others with an accurate picture of their financial condition. Current law already requires tax-exempt organizations to make their Forms 990 or 990-PF freely available to anyone who requests them in writing or in person. These information returns, as mentioned before, need improvements both in accuracy and in timeliness of disclosure. One way to achieve that objective is through electronic filing, something the Internal Revenue Service is currently pursuing and the nonprofit community generally endorses.

RECOMMENDATIONS

Nonprofit organizations should improve the timeliness, accuracy, and completeness of the Forms 990 or 990-PF by filing electronically when that option is available to them. Nonprofits should strive for greater disclosure and transparency.

Nonprofits should not rely on automatic extensions for filing Forms 990 and 990-PF without cause.

Audited financial statements should be easily accessible for review.

Two provisions of the Sarbanes-Oxley Act apply to all entities because they are amendments to the federal criminal code, so all nonprofit organizations need to comply with them.

WHISTLE-BLOWER PROTECTION

SUMMARY OF SARBANES-OXLEY PROVISION

The Sarbanes-Oxley Act provides protections for whistle-blowers and imposes criminal penalties for actions taken in retaliation against those who risk their careers by reporting suspected illegal activities in the organization. It is illegal for any entity — for-profit and nonprofit alike — to punish the whistle-blower in any manner.

RELEVANCE TO NONPROFIT ORGANIZATIONS

Nonprofits must start by protecting themselves. They must eliminate careless and irresponsible accounting practices and benefit from an internal audit that brings to light weak spots and installs processes that are not vulnerable to fraud and abuse. Written policies that are vigorously enforced by executive staff and the board send a message that misconduct is not tolerated. These policies should cover any unethical behavior within the organization — including sexual harassment.

Each organization must develop procedures for handling employee and volunteer complaints, including the establishment of a confidential and anonymous mechanism to encourage employees and volunteers to report any inappropriateness within the entity's financial management. No punishment for reporting problems — including firing, demotion, suspension, harassment, failure to consider the employee for promotion, or any other kind of discrimination — is allowed. Even if the claims are unfounded, the organization may not reprimand the employee. The law does not force the employee to demonstrate misconduct; a reasonable belief or suspicion that a fraud exists is enough to create a protected status for the employee.

RECOMMENDATIONS

Nonprofits must develop, adopt, and disclose a formal process to deal with complaints and prevent retaliation.

Nonprofit leaders must take any employee and volunteer complaints seriously, investigate the situation, and fix any problems or justify why corrections are not necessary.

DOCUMENT DESTRUCTION

SUMMARY OF SARBANES-OXLEY PROVISION

The Sarbanes-Oxley Act addresses destruction of litigation-related documents. The law makes it a crime to alter, cover up, falsify, or destroy any document (or persuade

someone else to do so) to prevent its use in an official proceeding (e.g., federal investigation or bankruptcy proceedings). The Act turns intentional document destruction into a process that must be monitored, justified, and carefully administered.

RELEVANCE TO NONPROFIT ORGANIZATIONS

Common sense dictates that individuals, nonprofit organizations, and companies regularly need to shred or otherwise dispose of unnecessary and outdated documents and files. Like their for-profit counterparts, nonprofit organizations need to maintain appropriate records about their operations. For example, financial records, significant contracts, real estate and other major transactions, employment files, and fundraising obligations should be archived according to guidelines established by the organization. Because of current technology, electronic files and voicemail can become complicated as we come to understand the relevance of the delete button as a permanent method of file removal.

RECOMMENDATIONS

A nonprofit organization should have a written, mandatory document retention and periodic destruction policy. Such a policy also helps limit accidental or innocent destruction.

The document retention policy should include guidelines for handling electronic files and voicemail. Electronic documents and voicemail messages have the same status as paper files in litigation-related cases. The policy should also cover back-up procedures, archiving of documents, and regular check-ups of the reliability of the system.

If an official investigation is underway or even suspected, nonprofit management must stop any document purging in order to avoid criminal obstruction charges.

CONCLUSION

The Sarbanes-Oxley Act has now been in force for several years. The legal climate has intensified in the nonprofit sector as Congressional committees and state legislatures are actively proposing new legislation to regulate organizations. Individual nonprofits have begun to identify loopholes - and figure out how to eliminate them. Watchdog agencies and other nonprofit field-building organizations are reconsidering assumptions and standard operating procedures in an effort to identify guidelines, standards, and best practices in the sector.

Regardless of the present scope of existing and potential new legislation at the state and federal level, nonprofit organizations have heard the wake-up call. For all of us in the sector, the Sarbanes-Oxley Act spearheaded a renewed realization that nonprofit organizations rely on - and must protect - the indispensable and unequivocal confidence and trust of our constituents. Self-regulation and proactive behavior will always prove more powerful than compulsory respect of laws.

ADDITIONAL RESOURCES

Press Release from the Office of New York State Attorney General

www.oag.state.ny.us/press/2003/mar/mar12a_03.html

“Strengthening Transparency, Governance, Accountability of Charitable Organizations, a Final Report to Congress and the Nonprofit Sector, June 2005.” Panel on the Nonprofit Sector, www.nonprofitpanel.org/final.

Summary of the Sarbanes-Oxley Act

www.aicpa.org/sarbanes/index.asp.

Recommendations from the National Association of Corporate Directors

Concerning Reforms in the Aftermath of the Enron Bankruptcy

www.nacdonline.org/nacd/enron_recommendations.asp

“Corporate Governance. The Wall Street Journal Reports.” *Wall Street Journal*, February 24, 2003.

“Raising the Bar on Governance: Board Committee Performance in the New Era of Accountability.” American Governance & Leadership Group, 2002.

Hamel, W. Warren. “What Corporate Governance Legislation Means to You.” *Association Management*, March 2003.

Heinz, Patrice A. “The Financial Reporting Practices of Nonprofits”. Alliance for Children and Families, 2003. www.alliance1.org/Home/SOX_final_8-03.pdf

Kokourek, Paul F., Christian Burger, and Bill Birchard. “Corporate Governance: Hard Facts about Soft Behaviors: Seven steps to fixing what Sarbanes-Oxley can’t.” *strategy+ business*, Issue 30, Spring 2003.

McLaughlin, Thomas A. “For-Profit Spillover: New Regulation of Independence.” *NonProfit Times*, February, 1, 2003.

Michaelson, Martin. “A New Era of Corporate Governance Bears Down on Higher Education.” *Trusteeship*, January/February 2003.

Central MN Jobs & Training Services Schedule of Insurance

Policy Type:	Commercial Package	Number:	PHPK1162431
Insurance Carrier:	Philadelphia Insurance	Policy Term:	April 20, 2014-15
Coverage			Limit
Business Personal Property			\$ 758,000
Deductible			\$ 500
Valuation			Replacement Cost
Business Income			\$ 100,000
Employee Theft – First Party (\$10,000 deductible)			\$ 250,000
General Liability (\$2,000,000 aggregate)			\$ 1,000,000
Professional Liability			\$ 1,000,000
Automobile Liability			\$ 1,000,000
Policy Type:	Workers Compensation	Number:	MNAR00000264744
Insurance Carrier:	RTW Inc. (Assigned Risk Pool)	Policy Term:	May 5, 2014-15
Coverage			Limit
Workers Compensation – MN			Statutory Limits
Employers Liability – Each Accident			\$ 500,000
Employers Liability – Disease (Policy Limit)			\$ 500,000
Employers Liability – Disease (Each Employee)			\$ 500,000
Policy Type:	Commercial Umbrella	Number:	PHUB456517
Insurance Carrier:	Philadelphia Insurance	Policy Term:	April 20, 2014-15
Coverage			Limit
Umbrella Liability			\$ 1,000,000
Self-Insured Retention			\$ 10,000
Policy Type:	Management Liability	Number:	1274931
Insurance Carrier:	Monitor Liability	Policy Term:	April 20, 2014-15
Coverage			Limit
Directors' & Officers' Liability – per claim/aggregate			\$ 2,000,000
Directors' & Officers' Liability – deductible			\$ 0; \$ 0; \$ 2,500
Employment Practices Liability – per claim/aggregate			\$ 2,000,000
Employment Practices Liability – deductible			\$ 10,000
Policy Type:	Crime – Third Party	Number:	41BDDEU7010
Insurance Carrier:	The Hartford	Policy Term:	April 20, 2014-15
Coverage			Limit
Employee Theft – on Premise only			\$ 250,000
Deductible			\$ 2,500
Policy Type:	ERISA Bond	Number:	A270015864
Insurance Carrier:	Capitol Indemnity	Policy Term:	April 20, 2012-15
Coverage			Limit
Bond Limit (with inflation guard)			\$ 225,000

Central MN Jobs & Training Services

Description of Insurance

Policy Type: Commercial Package	
Coverage	Description
Business Personal Property	Provides coverage for loss of business assets if loss is due to a covered cause of loss.
Business Income	Responds to the loss of income following a property loss due to a covered cause of loss.
Employee Theft – First Party	Provides coverage for the insured for theft by an employee of the named insured.
General Liability	Provides coverage for acts of negligence committed by the insured that result in a loss.
Professional Liability	Provides coverage for errors or omissions regarding the insured's intellectual knowledge and skills
Automobile Liability	Provides coverage for the insured in the event of a collision for which the insured is liable.

Policy Type: Workers Compensation	
Coverage	Description
Workers Compensation – MN	Responds to injuries or occupational disease sustained by the employee during the course or scope of employment. Statutory limits apply as set forth by the state.
Employers Liability	These limits are available if the employee rejects the state limits and elects to sue the employer.

Policy Type: Commercial Umbrella	
Coverage	Description
Umbrella Liability	Provides additional limits of liability over the General, Automobile, Professional and Employers liability.

Policy Type: Management Liability	
Coverage	Description
Directors' & Officers' Liability	<p>A. Responds to loss on behalf of insured persons for claims made against the insured persons for wrongful acts; to the extent the insured organization doesn't indemnify the insured persons.</p> <p>B. Responds to loss on behalf of insured organization for claims made against the insured persons for wrongful acts; to the extent the insured organization indemnifies the insured persons.</p> <p>C. Responds to loss on behalf of insured organization for claims made against the insured organization for wrongful acts.</p>
Employment Practices Liability	Responds to claims of employee discrimination, harassment and/or wrongful termination.

Policy Type: Crime – Third Party	
Coverage	Description
Employee Theft – on Premise only	Provides coverage to a third party (placement) for theft by an employee of the named insured.

Policy Type: ERISA Bond	
Coverage	Description
Employee Theft – ERISA	Provides coverage for the insured for theft by an employee of the named insured against the ERISA plan.



2850 West Golf Road, Suite 800
Rolling Meadows, IL 60008-4039
(847) 806-6590
Fax (847) 806-6282

Binder for Nonprofit Liability Insurance

Pending the issuance of a Policy in the form described below, Monitor Liability Managers (Monitor) on behalf of Carolina Casualty Insurance Company, binds coverage as described below, effective April 20, 2014.

Insured:	Central Minnesota Jobs & Training Services
Policy Number:	1274931
Policy Form:	CT 22335 (09-06) / NP 23300 (09-06)
Additional Coverage Sections:	EPL 23300 (09-06)
Binder Period:	April 20, 2014 to May 20, 2014
Policy Period:	April 20, 2014 to April 20, 2015
Policy Type:	Primary

Separate Aggregate Limit of Liability		Limit	Deductibles	Premium
Directors, Officers and Organization Liability	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$2,000,000	\$0; \$0; \$2,500	Included
Employment Practices Liability	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$2,000,000	\$10,000	Included
Fiduciary Liability	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Not Applicable	Not Applicable	Not Applicable
Total Premium:				\$4,297

Additional Terms

Extended Reporting Period** Option 1: 12 months for 50 percent

**Premium is calculated as a percentage of the "full annual premium".

Conditions

Any coverage provided by this binder is subject to the following conditions precedent:

- Payment of the appropriate premium.
- A copy of the Proposal Forms and a specimen copy of the Policy Form can be downloaded from our website at www.monitorliability.com.
- As insurance is a regulated industry, any person transacting business with Monitor must hold a valid license and company appointment in the applicable writing company.

Monitor reserves the right to modify the final policy terms and conditions upon review of any of the information received.

Endorsements

<i>Form ID Number</i>	<i>Form Name</i>	<i>Form Description</i>
265 (01-14)	POLICYHOLDER DISCLOSURE	NOTICE OF TERRORISM INSURANCE COVERAGE.
CT 234265 (09-06)	Addition to Section IV. Broad Abuse or Molestation Exclusion	Adds to section IV. of the Common Policy Terms and Conditions Section of the Policy to exclude coverage for Loss arising out of any abuse or molestation.
CT 234302 (09-06)	Addition to Section IV. Prior and Pending Litigation Exclusion Excess Limit of Liability	Adds to section IV. of the Common Policy Terms and Conditions Section of the Policy to exclude coverage for Loss arising out of any litigation which occurred prior to a specific date, with respect to any additional Limit of Liability.
EPL 230115 (09-06)	Minnesota Employment Practices Liability Amendatory Endorsement	Modifies the Policy to include state amendatory provisions.
NP 230115 (09-06)	Minnesota Directors, Officers and Organization Liability Amendatory Endorsement	Modifies the Policy to include state amendatory provisions.
NP 230116 (09-06)	Minnesota Proposal Form Addendum	This document must be printed and attached to each and every Proposal Form accepted for coverage, attached to the Policy.
NP 230119 (09-06)	Minnesota IMPORTANT NOTICE	IMPORTANT NOTICE TO MINNESOTA POLICYHOLDERS.
NP 234354 (06-09)	Addition to Section IV. Professional Services for Others Exclusion	Adds to section IV. of the Directors, Officers and Organization Liability Insurance Coverage Section of the Policy to exclude coverage for Loss arising out of any professional services performed for others.


Please note that the title and brief description for each endorsement listed in this binder does not describe the scope or intent of such endorsement. Please read each endorsement carefully.

Except as may otherwise be expressly provided herein, any coverage provided by this binder is subject to all of the terms and conditions of the Nonprofit Liability Insurance Policy currently issued by Monitor. Upon receipt and review of the Proposal Form and any related information, documentation, or conditions, Monitor reserves the right to cancel, modify or limit the coverage provided by this binder. In the event that Monitor determines that it will not issue a Policy because the Proposal Form and any related information, documentation, or conditions have either not been received or have been received and are unacceptable, then this binder will be null and void from its inception.

This binder may be cancelled at any time by Central Minnesota Jobs & Training Services by giving written notice of cancellation to Monitor Liability Managers, 2850 West Golf Road, Suite 800, Rolling Meadows, IL 60008-4039. The Insurer may charge the customary short-rate portion of the premium in the event of cancellation or termination by the insured.

This binder shall terminate automatically upon:

1. the expiration of the binder **May 20, 2014**, or
2. by issuance of a Policy by Monitor Liability Managers, or by any other insurer providing coverage similar to that described herein.

By: 
Dawn Sharon
Regional Underwriting Specialist

Date: April 17, 2014

The handling and processing of items associated with this binder are separate and distinct from any other products or programs offered by Monitor Liability Managers and/or Carolina Casualty Insurance Company. In order to assure that proper credit is given with regard to payment of premium and/or other related items, the producer must submit all necessary items directly to:

Monitor Liability Managers


2850 West Golf Road, Suite 800
Rolling Meadows, IL 60008-4039

Except as may otherwise be expressly provided herein, any coverage provided by this binder is subject to all of the terms and conditions of the Nonprofit Liability Insurance Policy currently issued by Monitor. Upon receipt and review of the Proposal Form and any related information, documentation, or conditions, Monitor reserves the right to cancel, modify or limit the coverage provided by this binder. In the event that Monitor determines that it will not issue a Policy because the Proposal Form and any related information, documentation, or conditions have either not been received or have been received and are unacceptable, then this binder will be null and void from its inception.

This binder may be cancelled at any time by Central Minnesota Jobs & Training Services by giving written notice of cancellation to Monitor Liability Managers, 2850 West Golf Road, Suite 800, Rolling Meadows, IL 60008-4039. The Insurer may charge the customary short-rate portion of the premium in the event of cancellation or termination by the insured.

This binder shall terminate automatically upon:

1. the expiration of the binder **May 22, 2013**, or
2. by issuance of a Policy by Monitor Liability Managers, or by any other insurer providing coverage similar to that described herein.

By: 
Dawn Sharon
Senior Underwriter

Date: April 22, 2013

The handling and processing of items associated with this binder are separate and distinct from any other products or programs offered by Monitor Liability Managers and/or Carolina Casualty Insurance Company. In order to assure that proper credit is given with regard to payment of premium and/or other related items, the producer must submit all necessary items directly to:

Monitor Liability Managers

2850 West Golf Road, Suite 800
Rolling Meadows, IL 60008-4039

Deborah A. Dyson, Legislative Analyst
651-296-8291

Revised: September 2006

Minnesota Open Meeting Law

The Minnesota Open Meeting Law¹ requires that meetings of governmental bodies generally be open to the public. The Minnesota Supreme Court has articulated three purposes of the law:

- To prohibit actions being taken at a secret meeting where it is impossible for the interested public to become fully informed about a public board's decisions or to detect improper influences
- To assure the public's right to be informed
- To afford the public an opportunity to present its views to the public body²

This information brief discusses the groups and types of meetings covered by the open meeting law, and then reviews the requirements of and exceptions to the law and the penalties for its violation.

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¹ [Minn. Stat. ch. 13D](#) (recoded from [Minn. Stat. § 471.705](#) in 2000). The Minnesota Open Meeting Law was originally enacted in Laws 1957, chapter 773, section 1.

² *Prior Lake American v. Mader*, 642 N.W.2d 729, 735 (Minn. 2002) (citing *St. Cloud Newspapers, Inc. v. District 742 Community Schools*, 332 N.W.2d 1, 4 (Minn. 1983)). While the courts consistently say that the open meeting law is to afford the public an opportunity to present its views to the public body, there is no general right for members of the public to speak at a meeting. Some statutes, and perhaps some home rule charters, specify that a hearing on a particular matter must be held at which anyone who wishes to address the public body may do so.

Groups and Meetings Governed by the Open Meeting Law

The law applies to all levels of state and local government.

The open meeting law applies to:

- a state agency, board, commission, or department when it is required or permitted by law to transact public business in a meeting;
- the governing body of any school district, unorganized territory, county, city, town, or other public body; and
- a committee, subcommittee, board, department, or commission of a public body subject to the law.³

“Public body” is not defined but the Minnesota Supreme Court has stated that “[i]n common understanding, ‘public body’ is possibly the broadest expression for the category of governmental entities that perform functions for the public benefit.”⁴

In determining whether the open meeting law applies to a particular entity, one should look at all of the entity’s characteristics. For example, in a 1998 case, the Minnesota Supreme Court held that because the statute authorizing creation of a municipal power agency authorized an agency to conduct its affairs as a private corporation, it could hold closed meetings.⁵ The court held so notwithstanding the statute that provides for municipal power agencies to be political subdivisions of the state.⁶

In July 2004, the Minnesota Supreme Court held that both the open meeting law and the government data practices act apply to the University of Minnesota Board of Regents. The court also held that application of these laws to the university does not violate the university’s constitutional autonomy.⁷

³ [Minn. Stat. § 13D.01](#), subd. 1.

⁴ *Star Tribune Co. v. University of Minnesota Board of Regents*, 683 N.W.2d 274, 280 (Minn. 2004).

⁵ *Southern Minnesota Mun. Power Agency v. Boyne*, 578 N.W.2d 362, 364 (Minn. 1998) (citing Minn. Stat. § 453.54, subd. 21, and discussing the factors that distinguish a public corporation from a private corporation).

⁶ [Minn. Stat. § 453.53](#), subd. 1, ¶ (1) (The agency agreement shall state: “(1) That the municipal power agency is created and incorporated . . . as a municipal corporation and a political subdivision of the state, to exercise thereunder a part of the sovereign powers of the state;”).

⁷ *Star Tribune Co.*, 683 N.W.2d 274. In 2002, Mark Yudof, resigned from the presidency of the University of Minnesota. When finalists for the position had been selected but not announced, the Board of Regents closed a meeting to interview them, ensuring their privacy. The university asserted that its constitutional autonomy meant it was not subject to these laws. A number of newspapers sued, claiming that the university is subject to the open meeting law and data practices act, and violated both laws. The district court and court of appeals agreed with the newspapers, and the state supreme court affirmed those decisions.

The law generally applies to nonprofit corporations created by governmental entities.

The list of groups covered by the open meeting law does not refer to nonprofit corporations created by a governmental entity. However, the law creating a specific public nonprofit corporation may specify that it is subject to the open meeting law.⁸ In addition, corporations created by political subdivisions are now clearly subject to the open meeting law.⁹

Gatherings of less than a quorum of a public body are not subject to the law; a “meeting” is held when the group is capable of exercising decision-making powers.

The Minnesota Supreme Court has held that the open meeting law applies only to a quorum or more of members of the governing body or a committee, subcommittee, board, department, or commission of the governing body.¹⁰ Serial meetings in groups of less than a quorum held in order to avoid open meeting law requirements may also be found to be a violation, depending on the facts of the case.¹¹

A public body subject to the law should be cautious about using e-mail to communicate with other members of the body. Although the statute does not specifically address the use of e-mail, it is likely that the court would analyze use of e-mail in the same way as it has telephone conversations and letters.¹² That is, communication about official business through telephone conversations or letters by a quorum of a public body subject to the law would violate the law. Serial communication through telephone conversations or letters by less than a quorum with the intent to avoid a public hearing or to come to an agreement on an issue relating to official business could also violate the law.

In a 1993 case, the Minnesota Court of Appeals held that the open meeting law was not violated when two of five city council members attended private mediation sessions related to city business. The court determined that the two council members did not constitute a committee or

⁸ *E.g.*, [Minn. Stat. §§ 17.987](#), subd. 3, ¶ (c) (Market Champ, Inc.); [116J.693](#), subs. 2 and 3 (Advantage Minnesota, Inc.); [116O.03](#), subd. 5 (Minnesota Technology, Inc.); [116O.09](#), subd. 9 (Agricultural Utilization Research Institute); [116S.02](#), subs. 6 and 7 (Minnesota Business Finance, Inc.); [128C.22](#) (State High School League); and [Laws 1990, ch. 535, § 2, subd. 6](#) (Lake Superior Center Authority).

⁹ [Minn. Stat. § 465.719](#), subd. 9 (enacted by [Laws 2000, ch. 455](#), art. 1, § 2, subd. 9). A 1986 attorney general opinion stated that the open meeting law did not apply to nonprofit corporations created by political subdivisions. *Op. Att’y Gen. 92a-30*, Jan. 29, 1986. The 1999 Legislature established a task force to recommend legislation in 2000 governing corporations created by political subdivisions. [Laws 1999, ch. 186](#). Among other things, the 2000 legislation addressed the issue of application of the open meeting law, stating that the law applied and a corporation created by a political subdivision cannot be exempted from it.

¹⁰ *Moberg v. Independent School Dist. No. 281*, 336 N.W.2d 510 (Minn. 1983).

¹¹ *Id.* at 518; *see also Mankato Free Press, Inc. v. City of North Mankato*, 563 N.W.2d 291, 295 (Minn. App. 1997). On remand to the district court for a factual finding on whether the city used serial interviews to avoid the open meeting law, the trial court found, and the court of appeals affirmed, that the serial meetings were not held to avoid the law. *Mankato Free Press, Inc. v. City of Mankato*, 1998 WL 865714 (Minn. App. 1998) (unpublished opinion).

¹² *Moberg*, 336 N.W.2d at 510.

subcommittee of the council because the group was not capable of exercising decision-making powers.¹³

The law applies to informational meetings.

The Minnesota Supreme Court has held that the open meeting law applies to all gatherings of members of a governing body, regardless of whether or not action is taken or contemplated. Thus, a gathering of members of a public body for an informational seminar on matters currently facing the body or that might come before the body must be conducted openly.¹⁴ However, a 1975 attorney general opinion stated that city council attendance at a League of Minnesota Cities training program for city officials did not violate the open meeting law if the members did not discuss specific municipal business.¹⁵

The law does not cover chance or social gatherings.

The open meeting law does not apply to chance or social gatherings of members of a public body.¹⁶ However, a quorum of a public body may not, as a group, discuss or receive information on official business in any setting under the guise of a private social gathering.¹⁷

The law does not apply to certain types of advisory groups.

The Minnesota Court of Appeals has held that the open meeting law does not apply to certain types of advisory groups.¹⁸ In that case, a presidential search advisory committee to the University of Minnesota Board of Regents was held not to be a committee of the governing body for purposes of the open meeting law. In reaching its holding, the court pointed out that no regents were on the search committee, and that the committee had no power to set policy or make a final decision. It is not clear if a court would reach the same result if members of the governing body were also on the advisory committee. Depending on the number of members of the governing body involved and on the form of the delegation of authority from the governing body to the members, a court might consider the advisory committee to be a committee of the governing body.

A separate law applies to the legislature.

In 1990, the legislature passed a law separate from the open meeting law that requires all legislative meetings be open to the public.¹⁹ The law applies to House and Senate floor sessions and to meetings of committees, subcommittees, conference committees, and legislative

¹³ *Sovereign v. Dunn*, 498 N.W.2d 62 (Minn. App. 1993).

¹⁴ *St. Cloud Newspapers, Inc. v. District 742 Community Schools*, 332 N.W.2d 1 (Minn. 1983).

¹⁵ Op. Att’y Gen. 63a-5, Feb. 5, 1975.

¹⁶ *St. Cloud Newspapers, Inc.*, 332 N.W.2d at 7.

¹⁷ *Moberg*, 336 N.W.2d at 518.

¹⁸ *The Minnesota Daily v. University of Minnesota*, 432 N.W.2d 189 (Minn. App. 1988).

¹⁹ [Minn. Stat. § 3.055](#) (added by Laws 1990, ch. 608, art. 6, § 1).

commissions. For purposes of this law, a meeting occurs when a quorum is present and action is taken regarding a matter within the jurisdiction of the group. Each house of the legislature must adopt rules to implement these requirements. Remedies provided under these rules are the exclusive means of enforcing this law.

Requirements of the Open Meeting Law

The primary requirement of the open meeting law is that meetings be open to the public.

The law also requires that votes in open meetings be recorded in a journal and that the journal be open to the public. The vote of each member must be recorded on appropriations of money, except for payments of judgments and claims and amounts fixed by statute.²⁰ A straw ballot to narrow the list of candidates for city administrator and not made public was held to be a secret vote in violation of the open meeting law.²¹

Open meetings must be held in a public place within the borders of the public body.²²

Meetings may be held by interactive television if specified conditions are met to ensure openness and accessibility for those who wish to attend.²³ The Minnesota Agricultural and Economic Development Board, Rural Finance Agency, the Small Business Development Center Advisory Board, the Minnesota Jobs Skills Partnership Board, the Governor's Workforce Development Council, the Urban Initiative Board, the Explore Minnesota Tourism Council, the Minnesota Veterans Home Board of Directors, the Minnesota State Council on Disability, and the Minnesota Housing Finance Agency have broader authority to hold meetings by telephone conference call or other electronic means as long as specified conditions are met to ensure openness and accessibility for those who wish to attend.²⁴

The law requires public bodies to give notice of their meetings.

In 1974, the Minnesota Supreme Court held that failure to give notice of a meeting is a violation of the open meeting law.²⁵ The court has also held that it is a violation of the open meeting law to conduct business before the time publicly announced for a meeting.²⁶

²⁰ [Minn. Stat. § 13D.01](#), subds. 4 and 5.

²¹ *Mankato Free Press Co.*, 563 N.W.2d at 295-96.

²² *Quast v. Knutson*, 276 Minn. 340, 341, 150 N.W.2d 199, 200 (Minn. 1967) (school board meeting held 20 miles outside the jurisdiction of the school board at a private office did not comply with open meeting law; consolidation proceedings were fatally defective because the resolution by which the proceedings were initiated was not adopted at a public meeting as required by law).

²³ [Minn. Stat. § 13D.02](#). See also [Minn. Stat. § 471.59](#), subd. 2 (joint powers board for educational purposes).

²⁴ [Minn. Stat. §§ 41A.0235; 41B.026; 116J.68](#), subd. 5; [116L.03](#), subd. 8; [116L.665](#), subd. 2a; [116M.15](#), subd. 5; [116U.25](#); [198.003](#), subd. 6; [256.482](#), subd. 5b; [462A.041](#).

²⁵ *Sullivan v. Credit River Township*, 299 Minn. 170, 174, 217 N.W.2d 502 (1974).

²⁶ *Merz v. Leitch*, 342 N.W.2d 141, 145 (Minn. 1984).

In 1987, the legislature spelled out the notice requirements in statute for regular, special, emergency, and closed meetings. Public bodies must do the following:

- Keep schedules of *regular* meetings on file at their offices²⁷
- Post notice of *special* meetings (meetings held at a time or place different for regular meetings) on their principal bulletin board. The public body must also either mail notice to people who have requested such mailings, or publish notice in the official newspaper, at least three days before the meetings²⁸
- Make good faith efforts to notify news media that have filed written requests (with telephone numbers) for notice of *emergency* meetings (special meetings called because of circumstances that require immediate consideration)²⁹

The same notice requirements apply to closed meetings.³⁰

For state agencies, absent any other specific law governing notice, publication requirements can be satisfied by publishing notice in the State Register.³¹

The law requires relevant materials to be publicly available.

The open meeting law requires that for open meetings, at least one copy of any printed material prepared by the public body and distributed or available to all members of the public body also be available in the meeting room for inspection by the public. This requirement does not apply to materials that are classified as other than public under the Government Data Practices Act.³²

Exceptions to the Open Meeting Law

The law does not apply to state agency disciplinary hearings.

The open meeting law does not apply to any state agency, board, or commission when exercising quasi-judicial functions involving disciplinary hearings.³³

²⁷ [Minn. Stat. § 13D.04](#), subd. 1 ([§ 13D.04](#), previously [§ 471.705](#), subd. 1c, was added by Laws 1987, ch. 313, § 5).

²⁸ [Minn. Stat. § 13D.04](#), subd. 2; *Rupp v. Mayasich*, 533 N.W.2d 893 (Minn. App. 1995) (bulletin board must be reasonably accessible to the public). A February 3, 2004, advisory opinion by the Commissioner of Administration stated that a public body's actions at a special meeting are limited to those topics included in the notice of special meeting. Minnesota Department of Administration Advisory Opinion 04-004.

²⁹ [Minn. Stat. § 13D.04](#), subd. 3.

³⁰ [Minn. Stat. § 13D.04](#), subd. 5.

³¹ [Minn. Stat. § 13D.04](#), subd. 6.

³² [Minn. Stat. § 13D.01](#), subd. 6.

³³ [Minn. Stat. § 13D.01](#), subd. 2 (2); *see also Zahavy v. University of Minnesota*, 544 N.W.2d 32, 41-42 (Minn. App. 1996).

Certain meetings involving employee evaluation or discipline must be closed.

A public body must close meetings for preliminary consideration of allegations or charges against an individual subject to its authority.³⁴ If the members of the public body conclude that discipline may be warranted as a result of those charges, further meetings or hearings relating to the charges must be open. Meetings must also be open at the request of the individual who is the subject of the meeting.

Statutes other than the open meeting law may permit or require closed meetings for certain local governmental bodies to conduct specific kinds of disciplinary hearings. For example, school board hearings held to discharge or demote a teacher are private unless the affected teacher wants a public hearing.³⁵

A public body may close a meeting to evaluate the performance of an individual who is subject to its authority.³⁶ Before closing a meeting, the public body must identify the individual to be evaluated. The public body must summarize the conclusions of the evaluation at its next open meeting. An evaluation meeting must be open at the request of the subject of the meeting.

A meeting may be closed to discuss labor negotiations.

The open meeting law permits a public body to hold a closed meeting to discuss strategy and proposals for labor negotiations conducted under the Public Employment Labor Relations Act.³⁷ The statute specifies procedures for tape-recording of these meetings, and for the recordings to become public when negotiations are completed.³⁸ Another law permits the Commissioner of the Bureau of Mediation Services to close negotiations and mediation sessions between public employers and public employees. These negotiations are public meetings, unless the commissioner closes them.³⁹

The law permits closed meetings based on a limited attorney-client privilege.

In 1976, the Minnesota Supreme Court held that there is a limited exception, based on the attorney-client privilege, for meetings to discuss strategy for threatened or pending litigation.⁴⁰ In 1990, the legislature added the attorney-client exception to the open meeting law.⁴¹ Although

³⁴ [Minn. Stat. § 13D.05](#), subd. 2 (b).

³⁵ [Minn. Stat. § 122A.41](#), subd. 9.

³⁶ [Minn. Stat. § 13D.05](#), subd. 3 (a).

³⁷ [Minn. Stat. § 13D.03](#), subd. 1.

³⁸ [Minn. Stat. § 13D.03](#), subd. 2.

³⁹ [Minn. Stat. § 179A.14](#), subd. 3.

⁴⁰ *Minneapolis Star & Tribune Co. v. Housing & Redevelopment Auth.*, 310 Minn. 313, 324, 251 N.W.2d 620, 626 (1976).

⁴¹ [Minn. Stat. § 13D.05](#), subd. 3(b) (added by Laws 1990, ch. 550 § 2).

the statute is not limited, the court has since held that the scope of the exception remains limited in relation to the open meeting law.⁴²

The attorney-client privilege exception does not apply to a mere request for general legal advice. Nor does it apply when a governing body seeks to discuss with its attorney the strengths and weaknesses of a proposed legislative enactment (like a city ordinance) that may lead to future lawsuits because that can be viewed as general legal advice. Furthermore, discussion of proposed legislation is just the sort of discussion that should be public.⁴³

In order to close a meeting under the attorney-client privilege exception, the governing body must give a particularized statement describing the subject to be discussed. A general statement that the meeting is being closed to discuss pending or threatened litigation is not sufficient.⁴⁴

A meeting may be closed to address certain security issues.

If disclosure of the information discussed would pose a danger to public safety or compromise security procedures or responses, a meeting may be closed to:

- receive security briefings and reports,
- discuss issues related to security systems,
- discuss emergency response procedures, and
- discuss security deficiencies in or recommendations regarding public services, infrastructure, and facilities.

Before closing a meeting, the public body must refer to the facilities, systems, procedures, services, or infrastructures to be considered during the closed meeting. A closed meeting must be tape-recorded at the expense of the governing body, and the recording must be preserved for at least four years.

Financial issues related to security matters must be discussed and all related financial decisions must be made at an open meeting.⁴⁵

⁴² *Star Tribune v. Board of Ed., Spec. School Dist. No. 1*, 507 N.W.2d 869 (Minn. App. 1993) *review denied* (Minn. Dec. 22, 1993). The court of appeals did not accept the argument that the statutory exception encompassed the full attorney-client privilege because that would result in the exception swallowing the rule in favor of open meetings. In a recent case, the Minnesota Supreme Court restated that the attorney-client privilege exception only applies when the purposes for the exception outweigh the purposes of the open meeting law. In that case, the court found that a threat of a lawsuit if a city council decision did not support a request did not warrant closing the meeting. *Prior Lake American v. Mader*, 642 N.W.2d 729 (Minn. 2002) (en banc). *Cf. Brainerd Daily Dispatch v. Dehen*, 693 N.W.2d 435 (Minn. App. 2005) (applying analysis of *Star Tribune* and *Prior Lake American*, finding threats were sufficiently specific and imminent that confidential consultation with legal counsel appointed by city's insurer to discuss defense strategy or reconciliation to address a threatened lawsuit justified closing the meeting).

⁴³ *Northwest Publications, Inc. v. City of St. Paul*, 435 N.W.2d 64 (Minn. App. 1989); *Star Tribune*, 507 N.W.2d at 872.

⁴⁴ *The Free Press v. County of Blue Earth*, 677 N.W.2d 471 (Minn. App. 2004).

⁴⁵ [Minn. Stat. § 13D.05](#), subd. 3.

A meeting may be closed to discuss certain issues relating to government property sales or purchases.

A public body may close a meeting to:

- determine the asking price for real or personal property to be sold by the government entity;
- review confidential or nonpublic appraisal data; and
- develop or consider offers or counteroffers for the purchase or sale of real or personal property.

Before holding a closed meeting, the public body must identify on the record the particular property that is the subject of the closed meeting. The proceedings must be tape-recorded at the expense of the public body. The recording must be preserved for eight years after the date of the meeting and made available to the public after all property discussed at the meeting has been purchased or sold or the governing body has abandoned the purchase or sale. The property that is the subject of the closed meeting must be specifically identified on the tape. A list of members and all other persons present at the closed meeting must be made available to the public after the closed meeting. If an action is brought claiming that public business other than discussions allowed under this exception was transacted at a closed meeting held during the time when the tape is not available to the public, the court would review the recording of the meeting *in camera* and either dismiss the action if the court finds no violation, or permit use of the recording at trial (subject to protective orders) if the court finds there is a violation.⁴⁶

An agreement reached that is based on an offer considered at a closed meeting is contingent on approval of the public body at an open meeting. The actual purchase or sale must be approved at an open meeting after the notice period required by statute or the governing body's internal procedures, and the purchase price or sale price is public data.⁴⁷

There is a narrow exception for certain meetings of public hospital boards.

Boards of public hospitals and certain health organizations may close meetings to discuss competitive market activities and contracts.⁴⁸

On-site inspections by town board members are not subject to the law.

The law does not apply to a gathering of town board members to perform on-site inspections, if the town has no employees or other staff able to perform the inspections and the town board is acting essentially in a staff capacity. The town board must make good faith efforts to provide notice of the inspections to the media that have filed a written request, including a telephone

⁴⁶ [Minn. Stat. § 13D.05](#), subd. 3, referring to [§ 13D.03](#), subd. 3.

⁴⁷ [Minn. Stat. § 13D.05](#), subd. 3. Property appraisal data covered by this law is described in [Minnesota Statutes, section 13.44](#), subdivision 3.

⁴⁸ [Minn. Stat. § 144.581](#), subds. 4 and 5.

number, for notice. Notice must be by telephone or by any other method used to notify the members of the public body.⁴⁹

The law does not apply to meetings of the Commissioner of Corrections.⁵⁰

The law specifies how it relates to the Government Data Practices Act.

Except as specifically provided, public meetings may not be closed to discuss data that are not public data under the Government Data Practices Act.⁵¹ Data that are not public may be discussed at an open meeting without liability, if the matter discussed is within the public body's authority and if it is reasonably necessary to conduct the business before the public body.⁵²

A portion of a meeting must be closed if the following data are discussed:

- Data that would identify alleged victims or reporters of criminal sexual conduct, domestic abuse, or maltreatment of minors or vulnerable adults⁵³
- Active investigative data collected by a law enforcement agency, or internal affairs data relating to alleged misconduct by law enforcement personnel⁵⁴
- Certain types of educational, health, medical, welfare, or mental health data that are not public data⁵⁵

Penalties

The open meeting law provides a civil penalty of up to \$300 for intentional violation.⁵⁶ A person who is found to have intentionally violated the law in three or more legal actions involving the same governmental body forfeits the right to serve on that body for a time equal to the term the person was serving. The Minnesota Supreme Court has held that this removal provision is constitutional, provided that the violations occurred after the person had a reasonable amount of time to learn the responsibilities of office.⁵⁷

⁴⁹ [Minn. Stat. § 366.01](#), subd. 11.

⁵⁰ [Minn. Stat. § 13D.01](#), subd. 2 (1). This exception does not make sense. Until 1982, the exception was for meetings of the corrections board—a multimember body. A 1983 instruction directed the revisor of statutes to change “corrections board” to “commissioner of corrections” throughout the statutes. Laws 1983, ch. 274, § 18.

⁵¹ [Minn. Stat. § 13D.05](#), subd. 1.

⁵² [Minn. Stat. §§ 13.03](#), subd. 11, [13.05](#), subd. 4, ¶ (e), and [13D.05](#), subd. 1.

⁵³ [Minn. Stat. § 13D.05](#), subd. 2 (a)(1).

⁵⁴ [Minn. Stat. § 13D.05](#), subd. 2 (a)(2).

⁵⁵ [Minn. Stat. § 13D.05](#), subd. 2 (a)(3).

⁵⁶ [Minn. Stat. § 13D.06](#).

⁵⁷ *Claude v. Collins*, 518 N.W.2d 836, 843 (Minn. 1994).

A public body may not pay a civil penalty on behalf of a person who violated the law. However, a public body may pay any costs, disbursements, or attorney fees incurred by or awarded against a member of the body in an action under the open meeting law if the member was found not guilty of a violation.⁵⁸

A court may award reasonable costs, disbursements, and reasonable attorney fees of up to \$13,000 to any party in an action under the open meeting law. However, the following conditions apply:

- A court may award costs and attorney fees to a defendant only if it finds that the action was frivolous and without merit
- A court may award monetary penalties or attorney fees against a member of a public body only if the court finds there was specific intent to violate the open meeting law

The appropriate mechanism to enforce the open meeting law is to bring an action in district court seeking injunctive relief or damages. The statute does not provide for a declaratory judgment action.⁵⁹

The Minnesota Supreme Court has held that actions taken at a meeting held in violation of the open meeting law are not invalid or rescindable.⁶⁰

Advice

Public bodies subject to the open meeting law may seek advice on the application of the law and how to comply with it from three sources:

- The governmental entity's attorney
- The attorney general⁶¹
- The Commissioner of Administration⁶²

An individual may seek advice from two sources:

- The individual's attorney
- The Commissioner of Administration⁶³

⁵⁸ Op. Att'y Gen. 471-a, Dec. 31, 1992.

⁵⁹ *Rupp v. Mayasich*, 561 N.W.2d 555 (Minn. App. 1997).

⁶⁰ *Sullivan v. Credit River Township*, 299 Minn. 170, 176-177, 217 N.W.2d 502, 507 (Minn. 1974).

⁶¹ Under Minnesota Statutes, section 8.06, the attorney general is the attorney for all state officers and boards or commissions created by law. Under Minnesota Statutes, section 8.07, the attorney general, on request from an attorney for a county, city, town, public pension fund, school board, or unorganized area, gives written opinions on matters of public importance.

⁶² [Minn. Stat. § 13.072](#), subs. 1 and 2.

Since 2003, an individual who disagrees with the manner in which members of a governing body perform their duties under the open meeting law may request the Commissioner of Administration to give a written opinion on the governing body's compliance with the law.

A governing body or person requesting an opinion of the Commissioner of Administration must pay a \$200 fee if the commissioner issues an opinion.

The commissioner may decide not to issue an opinion. If the commissioner decides not to issue an opinion, the commissioner must notify the requester within five days of receipt of the request. If the commissioner decides to issue an opinion, it must be done within 20 days of the request (with a 30-day extension possible for good cause and notice to the requester). The governing body must be allowed to explain how it performs its duties under the law.

Opinions of the Commissioner of Administration are not binding and a court is not required to give the opinions deference. However, a governing body that conforms to an opinion is not liable for fines, attorney's fees or any other penalty, or forfeiture of office.

For more information about open meetings and other issues related to the government, visit the government operations area of our web site, www.house.mn/hrd/issinfo/gv_state.htm.

⁶³ See www.ipad.state.mn.us/opinions/index.html for access to prior opinions of the Commissioner of Administration or to find out how to request an opinion.



WIB Expense Reimbursement Request

Name	
Mailing Address	
City, State, Zip	

To receive reimbursement, this form must be completed in its entirety. Include all information pertinent to the expense(s), including meeting purpose and total reimbursement amounts.

Meeting Date	TRAVEL		Total Miles	Per Diem**	Meals*	Other*	Purpose of Meeting	TOTAL
	Start from	To						

* Receipts for expenses must be attached for reimbursement.

** Per diems One-half day (up to 4 hours): \$35.00
Full day (over 4 hours): \$55.00

Under Minnesota Statute 15.059 (Subd. 3) per diems for members of advisory councils and committees must not exceed of \$55 a day.

The above expenses were incurred in carrying out my duties as a Central Minnesota Workforce Investment Board member and are not reimbursable from any other organization I represent.

Total Miles _____ x .50 =	\$
Total Meals* =	\$
Total Per Diem** =	\$
Total Other* =	\$
TOTAL REIMBURSEMENT =	\$

CMJTS, Inc. WIB Member Signature	Approved by Barbara Chaffee, CMJTS, Inc. Chief Executive
CMJTS, Inc. WIB Treasurer Signature	



TRAINING & DEVELOPMENT REQUEST FOR REIMBURSEMENT

Use this form to request reimbursement costs for a conference, workshop, or training event that supports your professional growth on the Workforce Investment Board and its committees (or Youth Council).

DIRECTIONS:

1. Complete the Training & Development Request for Reimbursement Form.
2. Submit the form to the chief executive director to the board.
3. Your request will be brought before the WIB Executive Committee for consideration and review. A majority vote will qualify for approval or denial.
4. A letter of approval or denial will be sent to you via mail, email, or by phone following the executive committee meeting date.
5. Event registration, lodging and other reservations for this event will be made by the board member and reimbursed through this process only.

MEMBER INFORMATION

Name: _____ Date of Request: _____

Address: _____

City & State: _____ Zip Code: _____

Email Address: _____ Phone Number: _____

EVENT INFORMATION

Conference or Event: _____

Event Location: _____

Event Date(s): _____

What is the reimbursement for?

▪ Registration: \$ _____

▪ Lodging: \$ _____

▪ Travel Expense (Airfare, Gas): \$ _____

▪ Other (explain): \$ _____

Total Request for Reimbursement: \$ _____

(Please attach an event brochure or information)

REASON FOR REQUEST

Please respond to the following questions:

A. How will this event support the direction of the WIB and its committees (or Youth Council)?

B. You will be expected to attend event sessions that pertain to your growth and professional development on the WIB and its committees (or Youth Council). Upon returning from this event, you will be required to give a full report (verbal or written) at the next regularly scheduled board meeting. Are you willing to support the board's growth by providing information to its members on important issues that you have learned from this event?
Why or why not?

EXECUTIVE COMMITTEE REVIEW

Date Reviewed: _____

Request Accepted (Reason): _____

Request Denied (Reason): _____

WIB Chair Signature: _____

EVALUATING THE EFFECTIVENESS OF THE NONPROFIT BOARD OF DIRECTORS

The effectiveness of the nonprofit board of directors can be enhanced by regular assessment of its activities and performance. An assessment process can help directors to understand their role, and encourage fulfillment of board responsibilities. The process need not be complicated; it can be placed on the agenda of a board meeting, or occur regularly within board meeting discussions through questions that serve to refocus the board on larger issues. For example, a useful strategy is to conclude board meetings by asking directors to rate the meeting on an index card: Were the issues covered today significant? Did the materials you received prior to the meeting adequately prepare you to participate in the discussion? Did the board conduct matters of management or policy? Overall, was the meeting worth your time? A steady stream of feedback created by these responses and used by the board chair and chief executive can greatly improve the value of board meetings.

An annual board assessment gives each director the opportunity to evaluate the board's overall effectiveness at accomplishing its goals in a variety of activity areas. It can be scheduled to occur during a board meeting or completed by directors on their own time and returned to the agency. Results of the evaluation can be shared at the next board meeting and appropriate follow-up then determined.

A ranking system reflecting the level of accomplishment within each task may be useful (1 = effective performance, 2 = adequate performance, 3 = inadequate performance, U = uncertain) and activities can be grouped into the following categories:

- Knowledge of board financial, legal and public responsibilities
- Representation to the public by the board
- Understanding and communication of the organization's mission
- Organization's compliance with legal regulations, licensing and other standards
- Effectiveness of board practice: bylaws, committees, procedures
- Approval of outside counsel (legal, accounting, managerial)
- Relationship with the chief executive
- Hiring, evaluating, managing, and compensating the chief executive
- Strategic planning
- Policy development and approval
- Oversight of organizational financial structure and activity, including income, expenses, borrowing, insurance coverage, audits, bank relations, fundraising, and other financial procedures
- Board performance: meeting attendance, discussion participation
- Board succession and nomination process
- New director orientation



Individual Director Self Evaluation

Complete this self-evaluation annually in February.

Name	Date
------	------

	Yes	No	Not Sure
1. Do I understand and support the mission of the organization?			
2. Am I knowledgeable about the organization's programs and services?			
3. Do I follow trends and important developments related to this organization?			
4. Do I assist with fundraising and/or give a significant annual gift to the organization?			
5. Do I read and understand the organization's financial statements?			
6. Do I have a good working relationship with the board chair?			
7. Do I recommend individuals for service to this board?			
8. Do I review board and committee agendas and minutes prior to each board meeting and participate in discussions in the committee?			
9. Do I act as a good-will ambassador to the organization?			
10. Do I find serving on the board to be a satisfying and rewarding experience?			
11. Do I know and understand my legal responsibilities for this organization?			
12. Do I understand that I am fiscally responsible, with other directors, for this organization?			
13. Do I know what the annual budget is and take an active part in approving the annual budget?			
14. Do I accept the bylaws and operating principles of the organization?			

	Yes	No	Not Sure
15. Do I promote, support, and encourage the chief executive?			
16. Do I regularly attend board meetings and participate in discussions?			
17. Do I regularly attend the WIB committee meetings that have been assigned to me by the WIB chair?			
18. Do I consult directly with the WIB chair or chief executive if I have board issues or concerns rather than seeking help elsewhere?			
19. Do I have a good networking relationship with other directors?			
20. Do I know what the bylaws say about missing meetings?			
21. Do I visit my local WorkForce Center annually and introduce myself to staff?			
22. Do I visit the organization's website, know what is posted there, and periodically visit the site?			
23. Do I promote the WorkForce Center System in my community?			
24. Do I participate in the annual strategic planning retreat?			
25. Do I RSVP when requested?			
26. Do I participate in decision-making and reaching broad consensus?			
27. Do I contact the board chair, chief executive, or executive assistant when I will be absent from the board and/or committee meetings?			

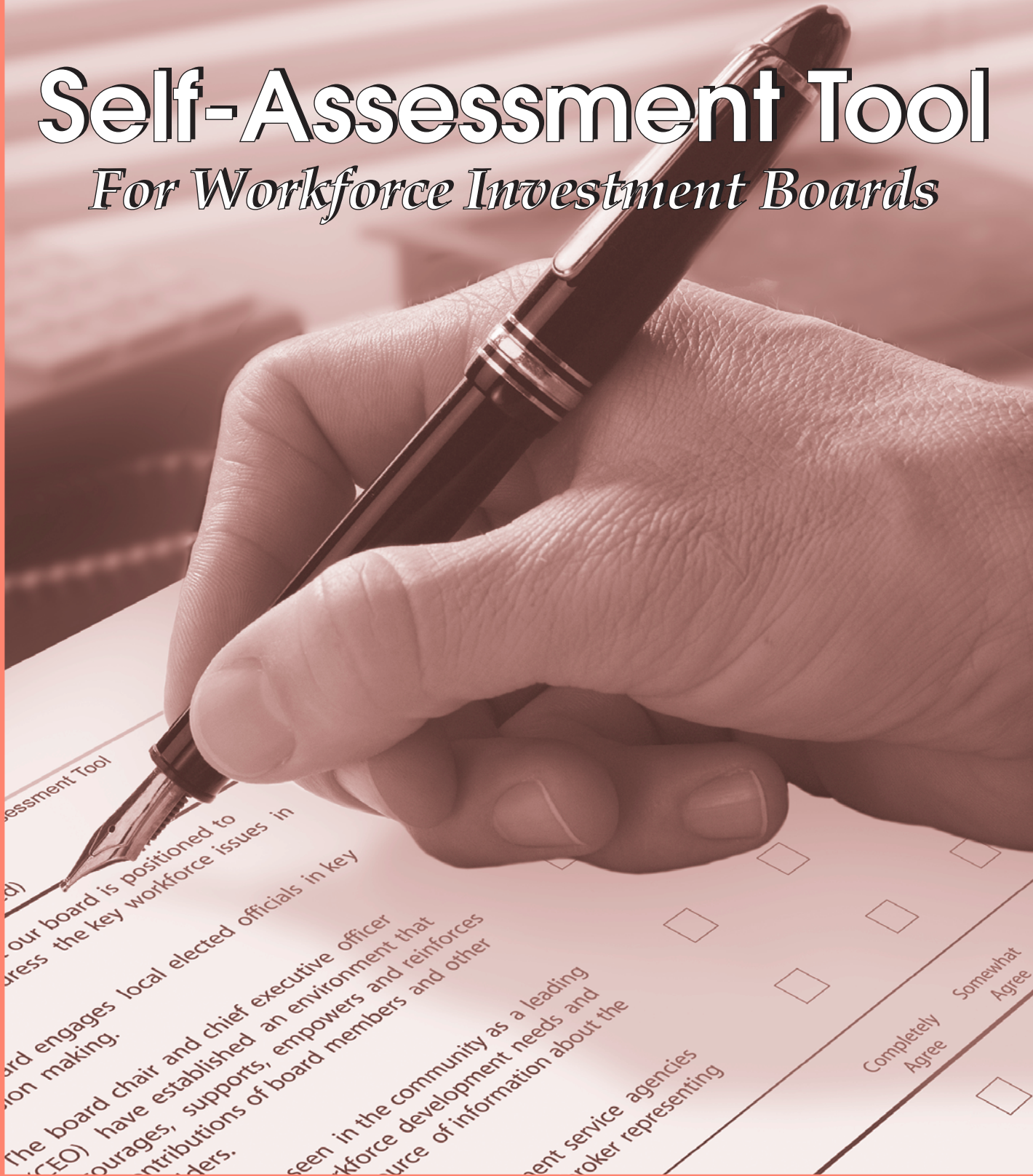


National Association of
Workforce Boards

APPENDIX Q

Self-Assessment Tool

For Workforce Investment Boards



N

A

W

B

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Acknowledgments

This Workforce Board Self-Assessment Tool was prepared by Linda Woloshansky who is President of the Center for Workforce Innovations Inc., in Valparaiso, Indiana. Ms. Woloshansky has over 20 years experience as the chief executive officer of a successful workforce board. NAWB would like to commend and thank Ms. Woloshansky for her valuable contribution to America's workforce development system.

This paper is one of a series of publications prepared by the National Association of Workforce Boards (NAWB) to provide guidance, technical assistance and advice to the members and staff of workforce investment boards on topics of importance to their successful governance of the nation's new workforce development system.

No permission is needed to reproduce any part of this document. The text and the survey forms are available online at www.nawb.org. NAWB encourages local workforce boards to adapt them to their various needs.

NAWB is a member of the Business Coalition for Workforce Development, a group of 35 national business organizations helping employers set up effective training and employment systems under the federal Workforce Investment Act. The Coalition is funded by grants from the U.S. Department of Labor. Opinions stated in this document do not necessarily represent the official policy of USDOL.

Overview of the Self-Assessment Tool

The Workforce Investment Act of 1998 envisioned the development of a workforce system that is driven by local business and community leaders. Inherent in the legislation was a call for newly created workforce investment boards (WIBs) to take responsibility for providing leadership in the cultivation of a skilled and productive workforce within their labor market areas.

The new boards have been given license to define their own work. Their specific mandate is “to develop and ensure the implementation of a unified and effective strategy for addressing local workforce development issues and meeting service delivery needs.” However, the boards can define this as broadly or narrowly as they choose based on the needs of their local communities, and can emphasize any or all of the following activities as part of their basic mission:

- Identification of relevant workforce issues and initiation of discussions leading to solutions.
- Identification of strengths and/or deficiencies in local training institutions.
- Building a training system focused on meeting the economic development needs of the community.
- Focusing on accountability, customer satisfaction and quality principles in the application of a service delivery system.
- Advocacy for workforce development efforts in the community.

A workforce board may be the only group in most communities poised to take the lead on these issues. Through a membership composed of business leaders and other key stakeholders, a workforce board can help improve its regional economy through meaningful investment in human capital. In bringing together the right players, a board can ensure that they all collaborate on strategic solutions, identify resources and build capacity for the future.

Since the role of the new workforce board is so critical and so highly visible, its members need to organize and govern themselves in such a way that they will be seen as a model of leadership in their community. Boards must have a clear vision, mission and plan of work developed and implemented by the board itself. Board members must have the tools to clearly understand their roles and responsibilities and to assess their own performance as a board.

Recent research on the development and function of nonprofit boards supports the idea that boards should periodically undertake a *self-assessment* of their strengths and weaknesses, much

as they assess the effectiveness of their executive director and the program operations over which the board has control. Such an evaluation can be a practical way for the board to step back from day-to-day concerns and focus attention on its overall performance—to reflect on its members' involvement and commitment and to initiate strategies for improvement and growth. Moreover, for many board members self-assessment is an opportunity to take time to evaluate their own understanding of the work of the board and the contribution they are making to advance the cause. Regular self-assessment can lead to board success by:

- Helping reach consensus among members on what major issues the board should tackle.
- Generating discussion among members on the priority of board activities.
- Shaping the future operations of the board.
- Assessing progress towards achievement of the board's goals.
- Highlighting key areas of success and strength.
- Identifying problems and weak areas of board operations.
- Identifying topics on which board members need more information.
- Enabling individual board members to work more effectively as part of the team.
- Building trust, respect and communication among board members.

At its annual meeting in the winter of 2001, the National Association of Workforce Boards surveyed WIB chairs and directors on this topic, and most board leaders agreed with these conclusions. Ninety-one percent of the respondents agreed that every board should conduct a formal self-assessment at least once a year. However, only 36 percent of the boards had actually conducted such an assessment during the past twelve months. NAWB has developed this self-assessment tool to help and encourage boards to undertake this important activity.

NAWB's self-assessment tool is a member survey—a relatively convenient and inexpensive method of taking the pulse of the board. However, there are many other ways that workforce boards can carry out a self-assessment. They can solicit feedback from their employer and jobseeker customers or from their partner organizations in the community. They can hire objective outside experts to interview board members, staff and other relevant stakeholders and prepare a report. Some boards even require their own CEO to comment on the board's performance as part of their annual evaluation of him or her. All these methods have their strengths and weaknesses. The exact tools used are not as important as the process and the development of a habit of regular self-reflection.

Workforce Board Self-Assessment Survey

Instructions

Attached is a *workforce board self-assessment survey* that should be completed by each board member. This tool will provide you with information about your knowledge and contribution to the board's work. It will help our board measure its progress, better understand the wants and needs of its members and identify areas that need attention. It will give the board leadership information regarding capacity building strategies that may need to be provided to ensure our board is functioning as smoothly as possible and carrying out its mission in an exemplary manner. The survey will also help strengthen the partnership that exists within the board, and between the board and its stakeholders (local elected officials and the community).

This survey consists of approximately 50 statements grouped into seven topic areas—Leadership, Strategic Planning, Customer Focus, Information and Analysis, Process Management, Measurable Results and Human Resources. These areas correspond to the seven evaluation criteria of the Malcolm Baldrige Quality Award, commonly used in industry to assess organizational excellence and self-improvement. For each statement, please mark the appropriate box if you **Completely Agree**, **Somewhat Agree**, **Disagree** or **Don't Know**. Your answers will provide a snapshot of how our board is functioning today, our levels of understanding of our work and what value we add to our community. The survey concludes with three open-ended questions that we hope you will use to share your thoughts.

Please take time to complete this survey in a thoughtful and candid manner. You should be able to complete the questionnaire in 30 minutes or less. Your responses and comments will be treated confidentially. After the results are tabulated, compiled and analyzed, a summary will be returned to all board members for discussion.

Questionnaire

*For each statement mark only one box:
(Completely Agree, Somewhat Agree, Disagree or Don't Know)*

Leadership	Completely Agree	Somewhat Agree	Disagree	Don't Know
The workforce board leadership has clearly communicated the board's vision, mission and goals so that as a board member, I understand them.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The board's vision, mission and goals are often referred to at meetings as the board carries out its business.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Leadership (continued)	Completely Agree	Somewhat Agree	Disagree	Don't Know
I am satisfied that our board is positioned to identify and address the key workforce issues in our area.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our board engages local elected officials in key decision making.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The board chair and chief executive officer (CEO) have established an environment that encourages, supports, empowers and reinforces the contributions of board members and other stakeholders.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The board is seen in the community as a leading authority on workforce development needs and as an important source of information about the labor market.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Local workforce development service agencies see the board as a neutral broker representing the needs of employers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Strategic Planning	Completely Agree	Somewhat Agree	Disagree	Don't Know
The board's strategic plan is related to the community's overall economic development strategies.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The board's strategic plan is directly related to the board's mission and organizational goals.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The board has a strategic-planning process that includes key community workforce development stakeholders and customers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our strategic plan is being developed based on data about local demographics, key employer needs and existing training program capabilities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our strategic plan is being developed with input from the provider and "partner" agencies who will carry out the plan's objectives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The strategic plan includes objectives that relate to the specific role, activities and "value added" of the board itself.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I am satisfied with the personal contribution I am making to the board's strategic-planning process.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Customer Focus	Completely Agree	Somewhat Agree	Disagree	Don't Know
I am satisfied that the board has correctly identified our customers and their expectations for the board and for the workforce development system.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The board regularly seeks out the opinions of jobseekers, employers, elected officials, program agencies, board members and staff about the work of the board and the workforce development system.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I am aware of how the board uses customer feedback to improve our products and services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The board has a communications plan to market and promote workforce development activities and programs to its customers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The board ensures that its one-stop operators and service provider agencies measure and address customer satisfaction concerns.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Information and Analysis	Completely Agree	Somewhat Agree	Disagree	Don't Know
The board analyzes available workforce data, employer information and training provider capacity as part of its strategic-planning process.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The board consults with technical and professional experts before making decisions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The board consults with "affected parties" before making decisions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The board secures and analyzes relevant information before making decisions regarding:				
Issues that it brings forward to the community.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chartering one-stop operators.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Accountability of one-stop partners.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Selection of youth program providers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Approval of eligible service providers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Information and Analysis <i>(continued)</i>	Completely Agree	Somewhat Agree	Disagree	Don't Know
I am satisfied with the data that the board collects and utilizes to track "continuous improvement" in the local workforce development system.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I am satisfied that our board examines the long term economic development trends, employment opportunities and population demographics of our area.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Process Management	Completely Agree	Somewhat Agree	Disagree	Don't Know
I can see how the day-to-day activities of the board relate to its overall vision, mission and goals.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The board has a process in place to examine the ongoing activities and programs of service providers to see if they are following the objectives set down in the board's strategic plan and to support and encourage them to do so.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The board has engaged local elected officials and obtained their endorsement of our mission and work.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The board has a management process that establishes accountability for the activities of the board and its individual members.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The board's committee and staffing structure and its operating procedures are helpful in supporting the work of the board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I am satisfied that the board has a systematic mechanism for communicating the board's goals and activities to the public.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The board is positioned to work with state and/or national leaders regarding the development of a quality workforce system.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Measurable Results	Completely Agree	Somewhat Agree	Disagree	Don't Know
I am aware of the measures the board uses to judge the performance of the workforce development system and to ensure that it is in keeping with the goals of the strategic plan.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I am aware of the measures the board uses to judge the satisfaction of customers with services received from agencies and program providers overseen by the board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The board analyzes current and past performance data and information to assess and understand the overall performance of the local workforce development system.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The board effectively oversees the public funds for which it is responsible.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The board examines the activities of other boards in order to provide benchmarks for its own work.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I am satisfied that the board is making a valuable contribution to the local workforce development system.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Board's Own Human Resources	Completely Agree	Somewhat Agree	Disagree	Don't Know
I understand my responsibilities as a board member.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The board's initial orientation and subsequent membership development activities have provided me with useful and relevant information regarding the work of the board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I feel that board meetings are well organized and conducive to meaningful and relevant discussion.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I clearly understand the board's governance process and the expectations of our chair and CEO.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I feel the chair exercises good leadership in the management of meetings.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I feel the chair exercises good leadership in managing the relationship between the board and its CEO.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Board's Own Human Resources
(continued)

	Completely Agree	Somewhat Agree	Disagree	Don't Know
I actively help identify and recruit new business and community members to serve on the board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I am satisfied with my knowledge of the work of the board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I am satisfied with my own participation on board committees.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I am satisfied with the overall contribution I am making to the mission of the board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Write-In Responses

I think that our board performs very well in the following area(s):

I think that our board needs improvement in the following area(s):

Any other comments:



2013-14 Officer Nomination Form

Date: _____

Name of candidate for officer position: _____

Select one of the following positions for nomination:

Chair Vice Chair Treasurer Secretary

Note: Under WIA law and the Central Minnesota WIB Bylaws, the WIB chair and vice chair **must** be members of private industry. The secretary and treasurer may be selected from the entire WIB.

Reason(s) for nomination:

Nominations may be submitted by the candidate or a second party by completing the following:

Signature: _____ **Date:** _____

Printed name: _____

Contact Phone: () _____ - _____

E-mail: _____

Officer nomination forms must be **received no later than April 5, 2013.**

Submit via mail, email or fax to:

Victoria Hosch at CMJTS, P.O. Box 720, Monticello, MN 55362

vhosch@cmjts.org ▪ 763-271-3701 (fax)



2013-14 WIB Officer Application Form

Congratulations for being nominated to apply for a Central Minnesota Workforce Investment Board (WIB) officer position. Candidates are required to complete and sign this **WIB Officer Application Form**. Additionally, read and sign the enclosed **WIB Officers' Code of Conduct** and **WIB Officers' Position Description**. Please return these documents to the WIB Executive Director, Barbara Chaffee. **To be considered for a WIB officer position, these three (3) documents must be received no later than Friday, May 3, 2013.**

I. Candidate Information (please print)

Name		Date	
Address			
City		State	Zip
Phone Number (include area code)		Email Address	

II. Board Information

Which Workforce Investment Board officer position were you nominated for?

- Chair
- Vice Chair
- Secretary
- Treasurer

*Please note that under WIA federal law and the Central Minnesota Jobs and Training, Inc. Bylaws, the WIB chair and vice chair **must** be members of Private Industry.*

III. Officer Information

Please answer Yes or No to the following questions:

	Yes	No
WIB officers serve a one-year term from July 1, 2013 to June 30, 2014. Will you be able to serve for this time period?	<input type="checkbox"/>	<input type="checkbox"/>
WIB officers are required to attend all WIB and assigned standing committee meetings from 9:00 am to 12:15 pm on the second Friday of every month, with the exception of November. Are you available during this time and will you commit to attending all meetings required?	<input type="checkbox"/>	<input type="checkbox"/>

	Yes	No
Officers are appointed members to the WIB Executive Committee and CMJTS, Inc. Operations Committee, which meet in the afternoon of the regularly scheduled board meetings from 1:30 pm–2:30 pm and 2:30–3:30 pm respectively (with the exception of November and possibly August). In November and August, these committees meet on the fourth Tuesday of the month from 1:00 pm–2:00 pm and 2:00–3:00 pm respectively. Are you able to commit to attending these required meetings?	<input type="checkbox"/>	<input type="checkbox"/>
Do you understand Roberts Rules of Order?	<input type="checkbox"/>	<input type="checkbox"/>
Have you read the <i>WIB Officer’s Position Descriptions</i> for your selected position and understand the obligations of this position?	<input type="checkbox"/>	<input type="checkbox"/>
Have you read the <i>WIB Officer’s Code of Conduct</i> and understand your relationship and obligation to the CEO?	<input type="checkbox"/>	<input type="checkbox"/>
Officers also have an obligation to attend and support the WIB Strategic Planning Retreat, which is typically held the second Friday in August. Will you attend and support this retreat and planning process?	<input type="checkbox"/>	<input type="checkbox"/>
WIB officers are highly encouraged to support and attend functions of the Minnesota Workforce Council Association (MWCA), including its Summer Conference in Duluth, a 3-day event in early August, and the Winter Meeting, a one-day event held in December or January, in St. Cloud or in the Twin Cities. As an elected officer, will you be able to attend at least one of these events?	<input type="checkbox"/>	<input type="checkbox"/>

The following questions are directed towards the WIB chair position specifically. However, if you are applying for the vice chair position, we would request that you answer them as well. All events listed below are fully paid for through CMJTS Incentive Funds earmarked for WIB training and development purposes.

	Yes	No
If applying for the chair position, your attendance is strongly recommended at both the MWCA events listed in the last question above. Will you be able to attend both the MWCA Summer Conference and the MWCA Winter Board Meeting?	<input type="checkbox"/>	<input type="checkbox"/>
The WIB chair is strongly recommended to attend the National Workforce Association (NWA) Summit in St. Petersburg, Florida, which is generally held the first week in December, with the chief executive and JPB chair. If applying for the chair position, will you be able to attend this political summit?	<input type="checkbox"/>	<input type="checkbox"/>
It is strongly recommended that the WIB chair attend the National Association of Workforce Board Forum (NAWB) in Washington, DC, typically held in early March, as a representative of WSA 5. If applying for the chair position, will you be able to attend this important WIB training forum?	<input type="checkbox"/>	<input type="checkbox"/>
The WIB chair’s attendance is strongly recommended at the Greater Metropolitan Workforce Council (GMWC) held monthly in the metro and the quarterly Regional MOU Board meetings (typically held in Willmar, with exception of one held prior to the start of the MWCA Summer Conference in Duluth). If applying for the chair position, will you be able to commit to attending these meetings?	<input type="checkbox"/>	<input type="checkbox"/>

IV. Candidate Summary

As a candidate and nominee for a Central Minnesota WIB officer position, you will be required to give a 2–5 minute presentation on why you wish to become an officer to the board during the regular WIB meeting on Friday, May 10, 2013. To help you form your presentation, please answer the following questions.

<p>Why do you wish to become an officer of the Central Minnesota WIB?</p>
<p>If elected, what outcomes do you hope to accomplish as a board officer over the next year?</p>
<p>What qualifications do you have to successfully hold an officer position?</p>
<p>List five (5) of your strongest leadership qualities.</p>
<p>Identify your commitment or conflicts in attending all WIB and WIB standing committees, the WIB Executive and CMJTS, Inc. Operations Committee meetings, and the special events listed in this application.</p>
<p>List other boards and community committees you have served on and the positions you have held.</p>

V. Officer Documentation and Signature Requirements

Candidates are required to complete and sign this application and also read and sign the enclosed WIB Officer's Code of Conduct and WIB Officer's Position Description.

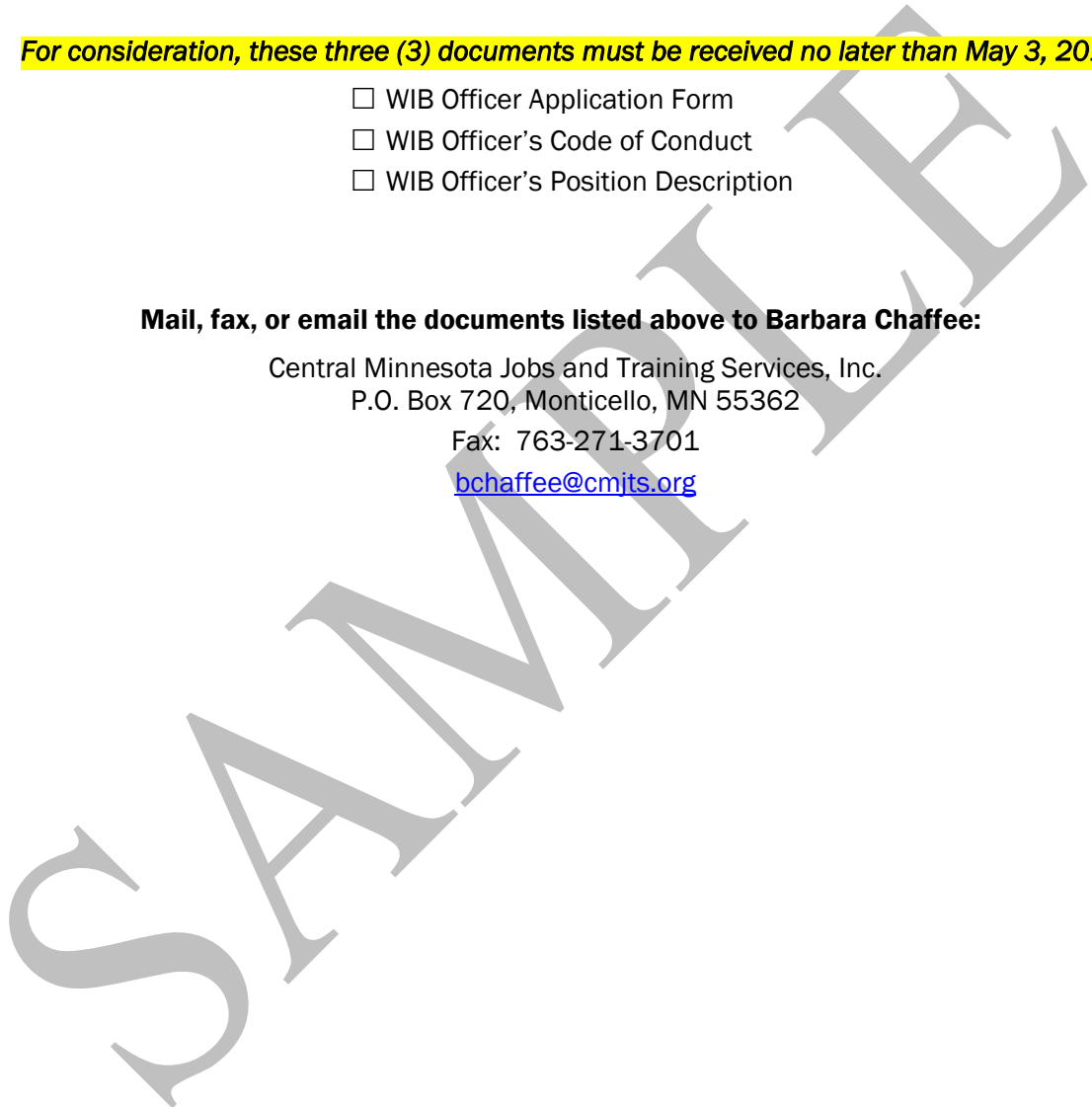
Name (please print)		
Signature		Date

For consideration, these three (3) documents must be received no later than May 3, 2013:

- WIB Officer Application Form
- WIB Officer's Code of Conduct
- WIB Officer's Position Description

Mail, fax, or email the documents listed above to Barbara Chaffee:

Central Minnesota Jobs and Training Services, Inc.
P.O. Box 720, Monticello, MN 55362
Fax: 763-271-3701
bchaffee@cmjts.org





WIB OFFICER CODE OF CONDUCT

Workforce Investment Board Officers will:

- Protect and support the Central Minnesota Workforce Service Area 5 Joint Powers Board Agreements and the CMJTS, Inc. Bylaws.
- Support the WIB’s chief executive officer.
- Have genuine concern and knowledge of local workforce development and training needs.
- Express their opinions and respect other’s opinions.
- Be trustworthy and honest.
- Have a strong sense of independence in making decisions.
- Have a clear understanding of their leadership roles and responsibilities.
- Successfully complete WIB orientation, fiduciary training, and policy and procedure training.
- Conduct themselves in accordance with appropriate decorum in a manner that they reasonably believe to be in the best interest of the WIB.
- Use such care, including reasonable inquiry, skills and diligence, in making decisions as a reasonable person would use under similar circumstances.
- Serve in a voluntary capacity (e.g., board members will not be compensated for their services, however, they may be reimbursed for expenses incurred on behalf of the WIB when such expenses are first approved by the board).
- Actively seek ways in which to advocate for the board and to leverage resources for the WIB.
- Commit to attending all board meetings and contributing effort to support committee and taskforce assignments, including attending the WIB meetings the 2nd Friday of the month, the WIB Executive Committee and CMJTS, Inc. Operations Committee meetings, also the 2nd Friday of the month (with exception of August and November when held the 4th Tuesday of the month), as well as other assigned board and ad hoc committee meetings.
- Commit to attending all assigned and approved board trainings (as WIB Title I-B budget permits), such as:
 - National Association of Workforce Boards (NAWB) in Washington, DC in February/March
 - Minnesota Workforce Council Association (MWCA) Summer Conference in Duluth in July/August
 - Central Minnesota WIB Annual Strategic Planning Retreat the 2nd Friday in August
 - Minnesota Workforce Council Association (MWCA) Winter Conference in December
 - National Workforce Association (NWA) in St. Petersburg, FL in December (WIB chair and JPB chair assignments)
 - Other trainings as assigned to support the development of the Central Minnesota WIB.

If elected to an officer position of the Central Minnesota Workforce Investment Board, I agree to support the Officer’s Code of Conduct.

Signature		Date
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Membership Criteria Checklist

According to the Central Minnesota Workforce Service Area 5 Charter, the Joint Powers Board of County Commissioners from the 11-county consortium is the governing authority with the responsibility to appoint individuals to the Central Minnesota Workforce Investment Board.

I. The Workforce Investment Board (WIB) Executive Committee receives applications to the WIB from community professionals, review's them individually, and makes "recommendations" to the Joint Powers Board based on the following criteria:

Private Business Sector representatives shall constitute a majority of the membership of the Workforce Investment Board (11 members), and who shall be:

- Owners of businesses.
- Chief executives or chief operating officers of businesses or other private business executive or employers with optimum policy-making or hiring authority.
- Must represent businesses with employment opportunities that reflect the employment opportunities of the local area.
- Elected members must be active members of their community.
- Members shall be selected from among individuals nominated by local elected officials or general purpose business organizations, such as local chambers of commerce, city administrator or mayor in the workforce service area.
- Eleven (11) Private Business representatives must reside on the board and must follow geographic distribution set forth in section II. (Also see the Current Central Minnesota Workforce Investment Board Membership Representation chart.)
- The chair of the WIB must be elected by the Joint Powers Board from among the representatives of private business.
- If a Private Sector representative retires during their two-year term, they may complete their term, but *cannot* be reappointed to the WIB.

Board Development Recommendations from Federal Monitors:

- Private Sector representatives elected from across Workforce Service Area 5 counties must be representative of the business sectors in the 11-county area (e.g., manufacturing, healthcare, bioscience, banking, transportation, energy, etc.).
- Private Sector WIB membership must maintain a balance of representation in WSA 5 from small businesses (less than 50 employees) and large businesses (greater than 50 employees).
- At least two Private Business WIB members could be elected from a business with 100 employees or more.

II. The Joint Powers Board shall possess all the powers and duties assigned by law, the Minnesota Workforce Investment System Non-financial Agreement and Minnesota Statutes 268 and 471.59 to:

- Appoint or reappoint representatives to serve on the Central Minnesota WIB. It is desired that the members so appointed/reappointed will provide the following geographic distribution:

- **Representatives of Private Business:**

3 from the 4 counties, development region 6E, which includes:

- ✓ Meeker
- ✓ McLeod
- ✓ Renville
- ✓ Kandiyohi

3 from the 2 counties, development region 7W, which includes:

- ✓ Wright
- ✓ Sherburne

4 from the 5 counties, development region 7E, which includes:

- ✓ Mille Lacs
- ✓ Kanabec
- ✓ Isanti
- ✓ Chisago
- ✓ Pine

1 at-large Private Business Member elected from either region 6E, 7W or 7E.

- **Other members of the WIB so appointed/reappointed will provide the following geographic distribution:**

Members shall be selected in such a manner that at least one representative is from each of the three regions (7E, 7W, 6E) and ***no region has more representatives than the configuration outlined in the Joint Powers Board Agreement, section I.B.(2)(a).***

The Joint Powers Board shall select members from nominations submitted by all agencies/organizations in each respective membership category below:

- Education entities (two members: one from a local post-secondary institution or school district AND one representative from Adult Basic Education)
- Labor organizations (two members)
- Community-based organization (combined membership of labor organizations and community-based organizations must equal at least 15% of the members)
- Economic development agencies
- Rehabilitation agencies
- Public assistance agencies
- Public employment service
- Such other individuals or representatives of entities as the Joint Powers Board may determine to be appropriate

- Every effort must be made to see that each region and county in the Workforce Service Area have fair representation on the WIB.

III. Other WIB membership includes:

1. Organized Labor Representatives (2):

- Two members shall be selected from individuals recommended by recognized state or local labor federations, organizations or councils.
- If the state or local labor federations, organizations or councils fail to nominate a sufficient number of individuals to meet the labor representation requirements, individual workers may be included on the local WIB to complete the labor representation.

Procedure: Organized Labor Representatives shall be chosen from the following hierarchy of considerations (checklist):

- Under federal law, there shall be two organized labor representatives elected to serve as members of the WIB. These two representatives should preferably represent different labor unions. *(The only time two labor representatives from the same union are elected for the WIB is when the local federations, organizations, or councils fail to nominate a sufficient number of individuals to meet the labor representation, as indicated in 1. above.)*
- As top priority to serving on the WIB, the organized labor representative should be one of the following officers in the union in which he or she serves:
 - Business manager
 - Business agent
 - Union organizer
- The organized labor representative must live and/or serve in the 11-county Workforce Service Area 5: Chisago, Isanti, Kanabec, Kandiyohi, McLeod, Meeker, Mille Lacs, Pine, Renville, Sherburne, Wright counties.
- It is preferred to have an organized labor representative with two or more of the following licensures or union-recognized roles:
 - Apprenticeship
 - Journeyman or licensed craftsman
 - Union leadership role
- It is preferred that the organized labor representative have a minimum of three (3) years union experience (5 or more years preferable).
- The organized labor representative must be available to attend WIB meetings the second Friday of every month (except November) from 9:00 a.m. to 12:00 noon.

2. Education Representatives (2):

- Represent secondary or post-secondary educational institutions within the workforce service area
- Represent Adult Basic Education consortium within the Workforce Service Area

One representative from each category listed below must be representative on the WIB.

The following representatives from this category must be:

- A president, vice-president, chief executive officer or chief operating officer or other executive having substantial management or policy responsibility.
- 3. **Community-based organization (1)**
- 4. **Vocational rehabilitation agency (1)**
- 5. **Public assistance agency (1)**
- 6. **Economic development agency (1)**
- 7. **Public employment agency (1)**

IV. Three Joint Powers Board members must reside on the WIB:

Joint Powers Board (JPB) members appointed to the WIB will include the three officers to the JPB, including:

- The chair
- The vice chair
- The secretary
- The 3 county commissioners' votes will be equal to one vote on the WIB.
- JPB members may halt a motion of the WIB if that motion inadvertently may cause conflict with the Joint Powers Board Agreement signed among the 11 counties.

V. Central Minnesota Workforce Investment Board is a 23-member board.

- 20 members of the WIB have one vote
- 3 county commissioners have one vote, together
- Equals 21 voting membership and 23 WIB members
- WIB membership could change with the reauthorization of the Workforce Investment Act in Year 2003 or whenever Congress passes the new WIA Reauthorization bill.

VI. Additional information concerning WIB membership:

- Membership terms shall be fixed and staggered.
- Members shall be appointed to serve a term of two (2) years.
- Membership years shall run from July 1 through June 30.
- Should a vacancy occur during the member's term, the JPB shall be notified and appoint a new member to complete the term at the next JPB meeting for which sufficient nominations have been received.

- No elected WIB member may designate any person to act as an alternate. No proxies will be permitted.
- If a member has a “conflict of interest” in a proposal or decision planned by the WIB, the member must publicly disclose the fact to the WIB in an open meeting. A member may not vote or participate in discussion on such matters.

VII. Resignations or Removal of WIB Membership:

- Any member may resign from the WIB by sending a letter of resignation to the chair of the WIB. The resignation will be effective when accepted by the JPB. The resulting vacancy shall be filled according with the resigned member’s status and term (outlined in section II., also see attachment)
- Any member may be removed or dismissed from the WIB for the following reasons:
 1. A member acting in violation of Public Law 105-220 may be dismissed by the WIB by a two-thirds vote of members in attendance at the meeting provided the members have been notified in advance of the pending action.
 2. A member who fails to attend three consecutive meetings (without an excused absence) may be removed from the WIB by a majority vote of members in attendance at the meeting, provided the members have been notified in advance of the pending action.
 3. The WIB Executive Committee is the assigned committee to review membership absences on a quarterly basis and makes recommendation for dismissal to the Joint Powers Board.
 4. If a member, other than a Private Sector Business Representative, retires, resigns, or is removed from their current employment, they will automatically be removed from membership on the WIB.

If you have any questions about this checklist, please do not hesitate to contact:

Barbara Chaffee at 612-867-1030 (cell) or 763-271-3711 (office).

Current Central MN WIB Membership Representation

23-Member Board	Note: (1) member at-large = 11 members				Educational Agency ABE (1)	Other Ed. (1)	Org. Labor (2)	CBO (1)	Econ Dev (1)	Rehab. Agency (1)	Public Assistance (1)	Public Employ. (1)	LEO (1*)
	6E (3)	7W (3)	7E (4)										
Region 6E													
Joan Danielson												X	
John Forbes (resigned)	X												
Clark Gustafson											X		
Harlan Madsen													X
Brian O'Donnell	X												
Vacant	X												
Region 7W													
Jason George (resigned)						X							
Spencer Bjerga		X											
Jill Jensen					X								
Rod Pederson										X			
Mark Sexton							X						
Cindy Shore		X											
Trish Taylor		X											
Brian Akre (resigned)		X											
Region 7E													
Richard Greene													X
Elaine Hierlinger			X										
Becky Lourey			X										
Loren Nelson			X										
Robert Musgrove					X								
Mark Netzing			X										
Mike Warring													X
Jim Nimlos							X						
Nancy Hoffman								X					



Application for Nomination to the Central Minnesota Workforce Investment Board

Date			
Last Name		First Name	
Title/Position			
Business/Agency Information			
Business/Agency Name			
Address			
City	State	Zip	County
Phone Number (include area code)		Fax Number (include area code)	
Cell Phone Number (include area code)		Email Address	
Website			
Description of Business			
Total Number of Employees in Business/Organization		Number of Employees You Directly Supervise	
<p>Policy: Applicants must be individuals with "optimum policy-making or hiring authority within the business, organization, agency, or entity.</p> <p>Please Check One: <input type="checkbox"/> Owner <input type="checkbox"/> Chief Executive Office <input type="checkbox"/> Senior Management</p>			
Personal Information			
Address			
City	State	Zip	County
Phone Number (include area code)		Cell Number (include area code)	
Email Address			

CONSTITUENCY

DIRECTIONS:

- I. If you currently work in **private business**, complete Sections A and C only.
- II. If you currently work in the **public sector, a nonprofit or labor organization**, complete Sections B and C only.
- III. Definitions of the following members are listed on page 6.

A. Private Business Member Applicant (check one):

- Small business (1–50 employees)
- Medium business (51–100 employees)
- Large business (more than 101 employees)

B. Public Sector Member Applicant (check one):

- Development professional
- Community-based organization
- Organized labor
- Post-secondary education
- Secondary education
- Public assistance
- Vocational rehabilitation agency
- Public Employment Services

C. County Representation (check the county your business or organization is located in Workforce Service Area 5):

- Chisago County
- Isanti County
- Kanabec County
- Kandiyohi County
- McLeod County
- Meeker County
- Mille Lacs County
- Pine County
- Renville County
- Sherburne County
- Wright County

PERSONAL QUALIFICATIONS

Please check the characteristics that best describe your leadership skills:

- Character
- Charisma
- Commitment
- Communication
- Competence
- Courage
- Discernment
- Focus
- Generosity
- Initiative
- Listening
- Passion
- Positive attitude
- Problem solving
- Relationship building
- Responsibility
- Security
- Self-Discipline
- Servanthood
- Teachability
- Vision

List any information you feel would be helpful in determining your qualifications for this position (education, work experience, training):

List any applicable experience with civic, professional, or volunteer organizations and/or other boards (e.g., chambers, economic development, volunteer activities, fundraising activities, city council, etc.)

As a new board member, what would you like to receive from your board experience with Central Minnesota Workforce Investment Board (e.g., training, conferences, community planning, professional development, fundraising, networking, knowledge about the WorkForce Center System, etc.)?

BOARD COMMITTEE INTERESTS (please check one):

Community and Government Relations Committee

- Develops and fosters community and government relations while promoting the Workforce Investment Board's interests and policies.

Workforce Development Committee

- Oversees the quality of service of the WorkForce Center System to ensure excellence in customer service delivery.
- Assists in the development of the WIA Local Unified Plan and evaluates its implementation over the year.
- Designs and implements the Annual WIB Strategic Planning Retreat, along with the CMJTS CEO, and incorporates and assigns goals and action plans to other WIB committees.
- Sets policy for the Business Services teams and determines high priority industry contacts.
- Coordinates the annual WIB visits to each of the six WorkForce Centers and also WIB industry visits.

Youth Council

- Oversees the quality of Youth services provided through WIA Youth, Minnesota Youth Programs, YouthBuild, Youth with Disabilities, and other youth programs.
- Assists in the development of a strategic plan for Youth Services.
- Sets the vision for Youth Services in Workforce Service Area 5.

BOARD AD HOC COMMITTEE INTERESTS (please check all that apply):

Legislative Ad Hoc Committee

- Begins in September and ends in April/May the following year.
- Supports the MWCA Legislative Platform.
- Coordinate the Annual Legislative Breakfast in October.
- Visits 20 Minnesota Legislators in Workforce Service Area 5.
- Visits five to six members of Congress in Washington, D.C. in March.

Economic Development Ad Hoc Committee

- Develops the strategies for the WIB working with economic developers in the 11-county region.
- Coordinates project planning with education, workforce and economic developers.
- Supports documentation for the WIA Local Unified Plan.

WIB Training Ad Hoc Committee (new committee)

- Assists in the development of WIB training events for the year, such as:
 - Minnesota Workforce Council Association Summer Events in Duluth in – August
 - National Association of Workforce Boards Forum in Washington, D.C. – March
 - National Workforce Association Conference – December
 - South West Business Summit – October
 - Central Minnesota Business Forum – November
 - North Business Summit – May
 - DEED Conference
 - BoardSource training
 - Other important trainings

SIGNATURES

The individual being nominated and the authorized representative of the nominating agency must sign the application below. Nominees must represent the constituency identified above.

Applicant:

Signature Date

Nominating Agency or Community Representative:

I nominate the above candidate for Central Minnesota Workforce Investment Board membership.

Signature Date

Agency Title

Please mail, fax or email application to: **Barbara Chaffee**
Executive Director
Central MN Workforce Investment Board
P.O. Box 720
Monticello, MN 55362-0720
Phone: (763) 271-3711
Fax: (763) 271-3701
bchaffee@cmjts.org

Audit Check List **SAMPLE**

Deadline:

Done?	Pre Audit	Done By	Due By	File	Notes
	Trial Balance Cleanup				
	-Closeout old grants				
	-Begin new grants				
	Listing of Total Federal Funding by CFDA #				
	Budgets and Assumptions				
	Significant Funding Level Changes				
	Year End Internal Financials				
	Accounting Policy Manual				
	Trial Balance Reports by Fund				
	Trial Balance Reports Consol.				
	First and Last Checks - AP				
	First and Last CH/AGH #'s - PR				
	Bank Confirmation Letter				
	Grant Confirmation Letter				
	Line of Credit Confirmation				
	Attorney Letter				
	New Lease Agreements				
	Listing of Related Party Transactions				
	Board of Directors and Finance Committee Member Listing				
	Changes to By-Laws				
	Changes to Articles of Inc.				
	Organizational Chart				
	Board & Committee Minutes				
	Insurance Policies				
	Employee Handbook Changes				
	Grant contract proposals and award letters				
	Payroll Returns				
	Line of Credit Agreement				
	Chart of Accounts				
	Forms & Procedures changes				
	Cash Balance by Fund				
	1120- Operating				
	1121 - TANIZ				
	1124- Payroll				
	1125- 125 Plan				
	Bank Statements - June/July				
	Schedule of Transfers +- 5 Days				
	1130-Grants Receivable-Billed				
	1140-Grants Receivable-Unbilled				

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Grant Rec/Deferred Revenue Schedule				
1150-AR DEED				
1160-AR Other				
1400-Prepaid Postage				
1402-Prepaid Insurance				
1403-Prepaid Other				
1404-Prepaid Gas Cards				
1405-Prepaid Dues				
1406-Prepaid Incentive Cards				
1407-Prepaid Travel				
1408-Prepaid Copier				
1409-Prepaid Licenses				
1410-Prepaid Work Comp				
1411-Payroll Miscellaneous				
1600-Equipment				
1601-Leasehold Improvements				
1610-Accum. Depr.				
Capitalization Policy				
List of Assets Opening Balance				
List of Assets Purchased				
List of Assets Disposed of				
List of Assets Ending Balance				
Rollforward Schedule				
Depreciation Schedule				
2600- Deferred Revenue				
2610-Due to Grantor				
2999-Due to/from Other Grants				
2990-Due to Others				
2550-Sales Tax Payable				
2100-Accounts Payable				
2200-Accrued Expenses				
2400-Note Payable Line of Credit				
Open payables at time of audit				
List of Open Payables 6/30				
A/P Object Listing by Grant				
Check Register from 6/30 forward				
2201-Accrued Payroll schedule				
2300-Accrued Vacation schedule				
Average Wage Increase				
2501-Workmen's Comp				
2502-Unemployment Insurance				
2504-Pension				
2505-Federal Income Tax				

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	2506-State Income Tax								
	2507-FICA								
	2509-Garnished Wages								
	2510-Dental Insurance								
	2511-Health Insurance								
	2512-Life Insurance								
	2513-Long Term Disability								
	2514-Sunshine Fund								
	2515-HSA Plan								
	2516-Tax Deferred Annuity								
	2517-125 Medical								
	2518-125 Dependent Care								
	2519-Hospital Indemnity AFLAC								
	2520-Short Term Disb AFLAC								
	2521-Colonial Life								
	2522-125 Sick								
	2523-Accident Colonial								
	2524-Cancer Colonial								
	Number of FTEs for PY08								
	Date for last payroll in June and first payroll in July								
	Dates for all payroll tax deposits for the last payroll in June. Supporting documentation for these deposits								
	06/30/09 Quarterly state unemployment tax returns								
	Vacation and sick leave policy								
	3001-Prior Years Interest								
	3000-Unrestricted Net Assets								
	4102 Revenue Federal								
	4103 Revenue State								
	4110 Revenue - Other								
	4500-Sales Revenue Wholesale								
	4501-Sales Revenue Retail								
	5410-Legal Fees Detail								
	Listing of Exp by Program								
	Grant, Category, Object Code								
	Review for errors								
	6300-Admin Cost Pool								
	6310-Inter Fund Transfers								
	6350-6357 Sub Grantee								
	Cost of Goods Sold - TANIZ								
	Financial Statements by Fund								
	Functional Expense Statement								

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Breakdown of FSET and MFIP Receivable by County					
Supplemental Audit Schedules					
Future Minimum Lease Payments					
Pension Contributions by employer and employee					
Journal Entries Report/Download					
Tax Assistance Letter					
Budgets					
Correspondence from oversight					
Corrective Action Plan					
On-Site Monitoring Reports					
Grant Agreements-Federal					

**Central Minnesota Jobs & Training Services
Statement of Activities**

For the Month Ended April 30, 2010 (84% complete)

Row		Budget	Actual	% of Budget
	REVENUE			
1	Revenue	13,250,633	11,848,902	89.4%
2	Pass Thru	422,000	346,984	82.2%
	TOTAL REVENUE	\$ 13,672,633	\$ 12,195,886	89.2%
	EXPENSES			
3	Salaries	3,971,000	3,205,776	80.7%
4	Fringe Benefits	1,054,000	867,297	82.3%
	Subtotal Salary & Fringe	5,025,000	4,073,073	81.1%
5	Training/OJT/Work Experience Related	5,421,168	5,285,955	97.5%
6	Support	1,171,463	1,058,564	90.4%
	Subtotal Client Services	6,592,631	6,344,519	96.2%
7	Purchase of Service	115,000	99,003	86.1%
8	Professional Services	30,860	28,958	93.8%
9	Property	446,642	367,094	82.2%
10	Communications	110,000	93,060	84.6%
11	Fixed Assets/Sm Equipment/Software	220,000	230,581	104.8%
12	Insurance	24,660	17,685	71.7%
13	Supplies and Printing	320,000	284,652	89.0%
14	Advertising & Marketing	12,770	12,949	101.4%
15	Staff Travel	225,000	202,394	90.0%
16	Staff Training	75,460	54,773	72.6%
17	Pass Thru	422,000	346,984	82.2%
	Subtotal Other Expenses	2,002,392	1,738,133	86.8%
18	Board Per Diems	10,000	6,891	68.9%
19	Board Other	8,500	7,061	83.1%
20	Board Travel & Education	34,110	26,209	76.8%
	Subtotal Board Expenses	52,610	40,161	76.3%
	TOTAL EXPENSES	\$ 13,672,633	\$ 12,195,886	89.2%
	EXCESS (DEFICIT)	\$ -	\$ -	

Variance of -3% in this category is the same as last month

1

Variance of +12% in this category is down from +19% last month

2

3

4

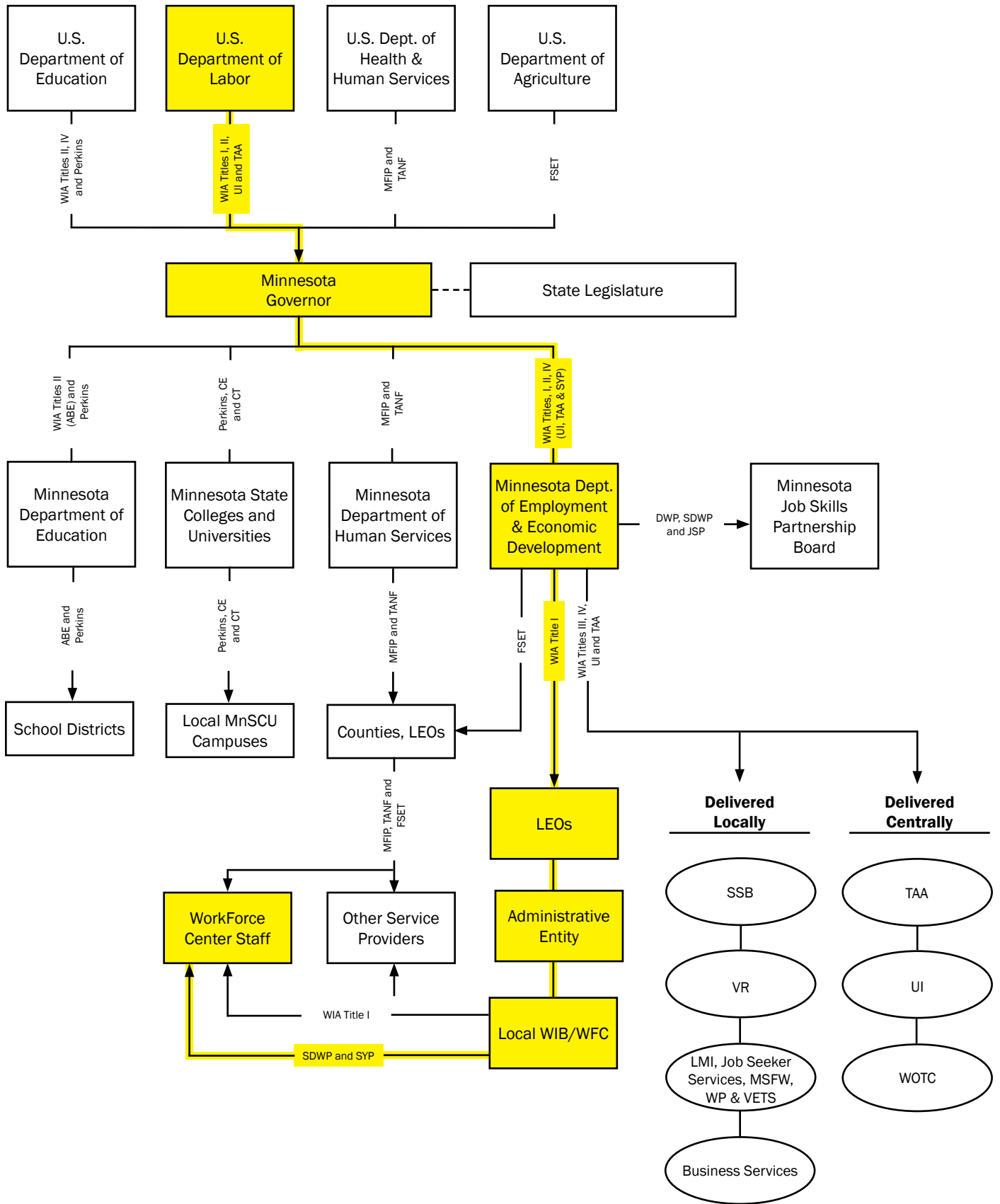
Variance of +3% in this category is down from +7% last month

Variance of +5% overall is down from +9% last month

- 1 Expenses are nearly all in - some Work Experience and OJT's will continue
- 2 Audit and Tax Services have been expensed. This line should come in under budget.
- 3 The remaining IT project items and the purchase of MIP HR and Timesheet software will result in being over budget by approximately \$45,000.
- 4 Advertising and Marketing should be nearly complete

The variance in overall expenses will continue to drop next month as timing differences flatten out.

Funding Streams for the Workforce Development System



Abbreviation key provided on reverse side.

Abbreviation Key

KEY	
ABE	Adult Basic Education
CE	Continued Education
CT	Continued Training
DWP	Dislocated Worker Program
FSET	Food Stamp and Employment Training
JSP	Job Skills Partnership
LEOs	Local Elected Officials
LIW	Low Income Workers
LMI	Labor Market Information
LWC/LWIBs	Local Workforce Councils/Local Workforce Investment Boards
MFIP	Minnesota Family Investment Program
MSFW	Migrant and Seasonal Farmworker
PTE	Pathways to Employment
SDWP	State Dislocated Worker Program
SSB	State Services for the Blind
SYP	State Youth Program
TAA	Trade Adjustment Assistance
TANF	Temporary Assistance for Needy Families
VETS	Veterans Employment and Training Services
VR	Vocational Rehabilitation
WIA Title I	Adult, Dislocated Worker and Youth
WIA Title II	Adult Education
WIA Title III	Wagner-Peyser
WIA Title IV	Vocational Rehabilitation and State Services for the Blind
WOTC	Work Opportunity and Welfare-to-Work Tax Credit
WP	Wagner-Peyser
WSA	Workforce Service Area

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

2009

Open to Public Inspection

Department of the Treasury Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

Form header section A through M, including fields for organization name, EIN, address, and status.

Part I Summary

Summary table with columns for Revenue, Expenses, and Net Assets or Fund Balances, and rows 1 through 22.

Part II Signature Block

Signature block section with fields for officer signature, preparer signature, and firm information.

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission:
.....
.....
.....

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? **Yes** **No**
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? **Yes** **No**
If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ including grants of \$) (Revenue \$)
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4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)
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4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)
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4d Other program services. (Describe in Schedule O.)
(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ▶

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	1	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>	3	
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>	4	
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i>	5	
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>	6	
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>	7	
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>	8	
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>	9	
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	10	
11	Is the organization's answer to any of the following questions "Yes"? <i>If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i>	11	
	<ul style="list-style-type: none"> • Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i> • Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i> • Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i> • Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i> • Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> • Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? <i>If "Yes," complete Schedule D, Part X.</i> 		
12	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i>	12	
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional.</i>	12A	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	13	
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Part I</i>	14b	
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Part II.</i>	15	
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Part III</i>	16	
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>	17	
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	18	
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>	19	
20	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>	20	

Part IV Checklist of Required Schedules *(continued)*

		Yes	No
21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II.</i>	21	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III.</i>	22	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J.</i>	23	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25.</i>	24a	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I.</i>	25a	
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I.</i>	25b	
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II.</i>	26	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III.</i>	27	
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>	28a	
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>	28b	
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV.</i>	28c	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M.</i>	29	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M.</i>	30	
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I.</i>	31	
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II.</i>	32	
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I.</i>	33	
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1.</i>	34	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2.</i>	35	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2.</i>	36	
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI.</i>	37	
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O.	38	

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to <i>e-file</i> this return. (see instructions)		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		
3b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		
4b	If "Yes," enter the name of the foreign country: ▶ _____ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		
5c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
7a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		
7d	If "Yes," indicate the number of Forms 8282 filed during the year		
7e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		
7g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		
7h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9a	Sponsoring organizations maintaining donor advised funds. Did the organization make any taxable distributions under section 4966?		
9b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
10a	Initiation fees and capital contributions included on Part VIII, line 12		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11	Section 501(c)(12) organizations. Enter:		
11a	Gross income from members or shareholders		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body		
1b	Enter the number of voting members that are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		
5	Did the organization become aware during the year of a material diversion of the organization's assets?		
6	Does the organization have members or stockholders?		
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
8a	a The governing body?		
8b	b Each committee with authority to act on behalf of the governing body?		
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Does the organization have local chapters, branches, or affiliates?		
10b	b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?		
11A	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13		
12b	b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?		
12c	c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done		
13	Does the organization have a written whistleblower policy?		
14	Does the organization have a written document retention and destruction policy?		
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	a The organization's CEO, Executive Director, or top management official		
15b	b Other officers or key employees of the organization		
	If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		
16b	b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed ►
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
 Own website Another's website Upon request
- 19** Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ►

Part VIII Statement of Revenue				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions).	1e					
	f All other contributions, gifts, grants, and similar amounts not included above	1f					
	g Noncash contributions included in lines 1a-1f: \$						
	h Total. Add lines 1a-1f ▶						
Program Service Revenue			Business Code				
	2a						
	b						
	c						
	d						
	e						
	f All other program service revenue						
g Total. Add lines 2a-2f ▶							
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶						
	4 Income from investment of tax-exempt bond proceeds ▶						
	5 Royalties ▶						
	6a Gross Rents	(i) Real	(ii) Personal				
		b Less: rental expenses					
		c Rental income or (loss)					
		d Net rental income or (loss) ▶					
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		b Less: cost or other basis and sales expenses					
		c Gain or (loss)					
		d Net gain or (loss) ▶					
	8a Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18 a						
		b Less: direct expenses b					
		c Net income or (loss) from fundraising events . . ▶					
	9a Gross income from gaming activities. See Part IV, line 19 a						
b Less: direct expenses. b							
c Net income or (loss) from gaming activities . . ▶							
10a Gross sales of inventory, less returns and allowances a							
	b Less: cost of goods sold b						
	c Net income or (loss) from sales of inventory . . ▶						
Miscellaneous Revenue		Business Code					
11a							
b							
c							
d All other revenue							
e Total. Add lines 11a-11d ▶							
12 Total revenue. See instructions. ▶							

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages				
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other				
12 Advertising and promotion				
13 Office expenses				
14 Information technology				
15 Royalties				
16 Occupancy				
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization				
23 Insurance				
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a				
b				
c				
d				
e				
f All other expenses				
25 Total functional expenses. Add lines 1 through 24f				
26 Joint costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year	(B) End of year	
Assets	1 Cash—non-interest-bearing		1	
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net		4	
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges		9	
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a		
	b Less: accumulated depreciation	10b		10c
	11 Investments—publicly traded securities		11	
	12 Investments—other securities. See Part IV, line 11		12	
	13 Investments—program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11		15	
16 Total assets. Add lines 1 through 15 (must equal line 34)		16		
Liabilities	17 Accounts payable and accrued expenses		17	
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D		25	
	26 Total liabilities. Add lines 17 through 25		26	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets		27	
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances		33		
34 Total liabilities and net assets/fund balances		34		

Part XI Financial Statements and Reporting

1 Accounting method used to prepare the Form 990: Cash Accrual Other _____
 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.

2a Were the organization's financial statements compiled or reviewed by an independent accountant?

b Were the organization's financial statements audited by an independent accountant?

c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
 If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.

d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis

3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?

b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

	Yes	No
2a		
2b		
2c		
3a		
3b		



2012-2013 Goals | Work Plan

4th Quarter 2012	<ul style="list-style-type: none"> Legislative meeting attendance/participation Review of WIA/MYP year-end report Review of Youthbuild year-end report Review of WIA/MYP and Youthbuild enrollments and budget Regional reports from staff
1st Quarter 2013	<ul style="list-style-type: none"> Strategic planning participation WIA Youth Plan review and input Day at the Capitol information/participation Youth Rally Day information/participation Participation in RFP selection for summer employment Review of WIA/MYP and Youthbuild enrollments and budget Regional reports from staff
2nd Quarter 2013	<ul style="list-style-type: none"> Review of preliminary WIA number/performance Review and approval of plans: Youthbuild and MYP Finalize RFP selection for summer employment Review of WIA/MYP and Youthbuild enrollments and budget Regional reports from staff
3rd Quarter 2013	<ul style="list-style-type: none"> Review of RFP final reports Review of WIA/MYP and Youthbuild enrollments and budget Regional reports from staff Strategic planning participation



Board Committee Evaluation

Committee	Date
-----------	------

	OK	Needs Improvement	Suggestions for Improvement
1. The agenda was clear, supported by the necessary documents, and circulated prior to the meeting.			
2. All directors were prepared to discuss materials sent in advance.			
3. Reports were clear and contained needed information.			
4. We avoided getting into administrative/management details.			
5. A diversity of opinions was expressed and issues were dealt with in a respectful manner.			
6. The chair guided the meeting effectively.			
7. Members participated responsibly.			
8. Next steps were identified and responsibilities assigned.			
9. All directors were present.			
10. The meeting began and ended on time.			
11. The meeting room was conducive to work.			
12. We enjoyed being together.			
13. Comments:			

ROBERT'S RULES OF ORDER MADE SIMPLE

Points

The following three points are always in order:

- **Point of Order:** A question about process, or objection and suggestion of alternative process. May include a request for the facilitator to rule on process.
- **Point of Information:** A request for information on a specific question, either about process or about the content of a motion.
- **Point of Personal Privilege:** A comment addressing a personal need — a direct response to a comment defaming one's character, a plea to open the windows, etc.

Motions

All motions must be seconded, and are adopted by a majority vote unless otherwise noted. All motions may be debated unless otherwise noted. Motions are in order of precedence: motions may be made only if no motion of equal or higher precedence is on the floor (i.e., don't do a #5 – move to end debate – when the body is discussing a #4 – move to suspend rules).

1. **Motion to Adjourn:** Not debatable; goes to immediate majority vote.
2. **Motion to Recess:** Not debatable. May be for a specific time.
3. **Motion to Appeal the Facilitator's Decision:** Not debatable; goes to immediate vote. Allows the body to overrule a decision made by the chair.
4. **Motion to Suspend the Rules:** Suspends formal process for dealing with a specific question. Debatable; requires 2/3 vote.
5. **Motion to End Debate and Vote or Call the Question:** Applies only to the motion on the floor. Not debatable; requires 2/3 vote.
6. **Motion to Extend Debate:** Can be general, or for a specific time or number of speakers. Not debatable.
7. **Motion to Refer to Committee:** Applies only to the main motion. Refers question to a specific group with a specific time and charge.
8. **Motion to Divide the Question:** Breaks the motion on the floor into two parts, in manner suggested by mover.
9. **Motion to Amend:** Must be voted for by a majority to be considered and by a 2/3 to be passed. If amendment is accepted as "friendly" by the proposer of the amendment, then many bodies will allow it to be accepted without a formal vote; this is a way of including a consensus-building process into procedure without endless debate over amendments to amendments. Strictly speaking, however, once the main motion is made it is the property of the body to amend.
10. **Main Motion:** What it is you are debating and amending.

ROBERT'S RULES OF ORDER MADE SIMPLE

THE RULES

Point of Privilege: Pertains to noise, personal comfort, etc. — may interrupt only if necessary!

Parliamentary Inquiry: Inquire as to the correct motion — to accomplish a desired result, or raise a point of order.

Point of Information: Generally applies to information desired from the speaker: "I should like to ask the (speaker) a question."

Orders of the Day (Agenda): A call to adhere to the agenda (a deviation from the agenda requires Suspending the Rules).

Point of Order: Infraction of the rules or improper decorum in speaking; must be raised immediately after the error is made.

Main Motion: Brings new business (the next item on the agenda) before the assembly.

Divide the Question: Divides a motion into two or more separate motions (must be able to stand on their own).

Consider by Paragraph: Adoption of paper is held until all paragraphs are debated and amended and entire paper is satisfactory; after all paragraphs are considered, the entire paper is then open to amendment, and paragraphs may be further amended. Any Preamble cannot be considered until debate on the body of the paper has ceased.

Amend: Inserting or striking out words or paragraphs, or substituting whole paragraphs or resolutions.

Withdraw/Modify Motion: Applies only after question is stated; mover can accept an amendment without obtaining the floor.

Commit/Refer/Recommit to Committee: State the committee to receive the question or resolution. If no committee exists include size of committee desired and method of selecting the members (election or appointment).

Extend Debate: Applies only to the immediately pending question; extends until a certain time or for a certain period of time.

Limit Debate: Closing debate at a certain time, or limiting to a certain period of time.

Postpone to a Certain Time: State the time the motion or agenda item will be resumed.

Object to Consideration: Objection must be stated before discussion or another motion is stated.

Lay on the Table: Temporarily suspends further consideration/action on pending question; may be made after motion to close debate has carried or is pending.

Take from the Table: Resumes consideration of item previously "laid on the table" — state the motion to take from the table.

Reconsider: Can be made only by one on the prevailing side who has changed position or view.

Postpone Indefinitely: Kills the question/resolution for this session - exception: the motion to reconsider can be made this session.

Previous Question: Closes debate if successful — may be moved to "Close Debate" if preferred.

Informal Consideration: Move that the assembly go into "Committee of the Whole" — informal debate as if in committee; this committee may limit number or length of speeches or close debate by other means by a 2/3 vote. All votes, however, are formal.

Appeal Decision of the Chair: Appeal for the assembly to decide — must be made before other business is resumed; NOT debatable if relates to decorum, violation of rules or order of business.

Suspend the Rules: Allows a violation of the assembly's own rules (except Constitution); the object of the suspension must be specified.

ROBERT'S RULES OF ORDER MADE SIMPLE

CHEAT SHEET

Class of Motions

The word "motion" refers to a formal proposal by a member, in a meeting, that the organization take a certain action. Several specific motions have evolved and have been classified under parliamentary law as follows:

- 1 **Main Motions**
- 2 **Subsidiary Motions**)
- 3 **Privileged Motions**) Secondary motions
- 4 **Incidental Motions**)
- 5 **Motions that bring a question again before the meeting.**

Main Motions—A main motion is one which brings business before the meeting. It is the most often used and is the device by which a matter is presented to the meeting for possible action.

Subsidiary Motions—Subsidiary motions assist the meeting in treating or disposing of a main motion. They are always applied to another motion while it is pending. The adoption of one of them does something to this other motion, that is, changes its status in some way.

Privileged Motions—Unlike subsidiary or incidental motions, privileged motions do not relate to the pending business but have to do with special, important matters which should be allowed to interrupt the consideration of anything else.

Incidental Motions—Incidental motions relate to the pending business or other business. With but few exceptions, incidental motions are related to the main question in such a way that they must be decided immediately, before business can proceed.

Motions that bring a question again before the meeting—Either by their adoption or introduction, this type of motion serves the function described by the name of the class. This class of motions allows the members, for good reason, to reopen a completed question during the same session, to take up one that has been temporarily disposed of, or to change something previously adopted.

In the following chart, the privileged, subsidiary, and main motions are listed in order of rank, the motion at the top taking precedence over all the others, and each of the remaining ones taking precedence over all those below it. A main motion is in order only when no other motion is pending.

Table of Rules Relating to Motions

Motion	Class	In order when another has the floor?	Must be seconded?	Debatable?	Amendable?	Vote required for adoption	Can be reconsidered
Main motion	M	No	Yes	Yes	Yes	Majority	Yes
Adjourn	P	No	Yes	No	No	Majority	No
Adjourn at or to a future time	M	No	Yes	Yes	Yes	Majority	No
Adopt, accept, or agree to a report	M	No	Yes	Yes	Yes	Majority	Yes
Adopt revised bylaws or constitution	M	No	Yes	Yes	Yes	As provided for in the bylaws	Negative vote only
Adopt special rules of order	M	No	Yes	Yes	Yes	Previous notice and 2/3 or majority of the entire membership	Negative vote only
Adopt ordinary standing rules	M	No	Yes	Yes	Yes	Majority	Yes
Amend a pending motion	S	No	Yes	If motion to be amended is debatable	Yes	Majority	Yes
Amend an amendment of a pending motion	S	No	Yes	Ditto	No	Majority	Yes
Amend something previously adopted	M	No	Yes	Yes	Yes	Majority with notice, or 2/3, or majority of the entire membership	Negative vote only
Appeal	I	Yes	Yes	Usually	No	Majority	Yes
To order a vote to be taken by ballot	I	No	Yes	No	Yes	Majority	Yes
To create a blank by striking out	I	No	Yes	No	No	Majority	No
Proposals for filling a blank	-	Yes	No	Yes	No	Majority	Yes
Change or depart from the agenda, immediately to take up a matter out of its proper order	I	No	Yes	No	No	Two thirds	No
Commit, refer, or recommit a pending question	S	No	Yes	Yes	Yes	Majority	If committee has not begun work
Refer a matter that is not pending to a committee	M	No	Yes	Yes	Yes	Majority	If committee has not begun work
Consider informally	S	No	Yes	Yes	No	Majority	Negative vote only
Consider by paragraph	I	No	Yes	No	Yes	Majority	No

Motion	Class	In order when another has the floor?	Must be seconded?	Debatable?	Amendable?	Vote required for adoption	Can be reconsidered
Limit or extend limits of debate on a pending question	S	No	Yes	No	Yes	Two thirds	Yes
Limit or extend limits of debate for the duration of a meeting	M	No	Yes	Yes	Yes	Two thirds	Yes
Discharge a committee	-	No	Yes	Yes	Yes	Majority with notice or 2/3, or majority of the entire membership	Negative vote only
Division of the question	I	No	Yes	No	Yes	Majority	Yes
Call for a separate vote on a resolution which is one of a series on different subjects in a single motion	I	Yes	No	No	No	Demand of a single member compels the separate vote	No
Information, point of	I	Yes	No	No	No	Not voted on	No
Lay on the table	S	No	Yes	No	No	Majority	No
To approve the minutes	M	No	Yes	Yes	Yes	Majority	Yes
To correct the minutes before adoption	S	No	Yes	Yes	Yes	Majority	Yes
To dispense with the reading of the minutes	I	No	Yes	No	No	Majority	No
To make nominations	-	No	No	Yes	No	Majority for election	Not after the electee has been notified
To close nominations	I	No	Yes	No	Yes	Two thirds	Yes
To reopen nominations	I	No	Yes	No	Yes	Majority	Negative vote only
Other motions relating to nominations while election is pending	M	No	Yes	No	Yes	Majority	Yes
Other motions relating to nominations while election is not pending	M	No	Yes	Yes	Yes	Majority	Yes
Object to consideration of a question	I	Yes, with limits	No	No	No	Two thirds	Sustaining vote only

Motion	Class	In order when another has the floor?	Must be seconded?	Debatable?	Amendable?	Vote required for adoption	Can be reconsidered
Call for orders of the day	P	Yes	No	No	No	Must be enforced upon the demand of one member unless set aside by a 2/3 vote	No
Point of order	I	Yes	No	No	No	Is ruled on by the chair	No
Parliamentary inquiry	I	Yes	No	No	No	Is responded to by the chair	-
Postpone indefinitely	S	No	Yes	Yes	No	Majority	Affirmative vote only
Postpone to a certain time, applied to a pending question	S	No	Yes	Yes	Yes	Majority	Yes
Postpone an event or action previously scheduled	M	No	Yes	Yes	Yes	Majority with notice or two thirds, or majority of the entire membership	Negative vote only
Previous Question	S	No	Yes	No	No	Two thirds	Usually
Ratify or Confirm	M	No	Yes	Yes	Yes	Majority	Yes
Grant permission to read papers	I	Yes	Yes, if made by one requesting. No, if by another.	No	No	Majority	Yes
To take a recess, if moved while business in pending	P	No	Yes	No	Yes	Majority	No
To take a recess, if moved while no question is pending	M	No	Yes	Yes	Yes	Majority	No
Reconsider	-	Limits	Yes	Yes, if the motion to be reconsidered is debatable	No	Majority	No
Rescind, repeal, or annul	M	No	Yes	Yes	Yes	Majority with notice or 2/3, or majority of the entire membership	Negative vote only
Suspend the rules of order	I	No	Yes	No	No	Usually 2/3	No
Suspend ordinary standing rules	I	No	Yes	No	No	Majority	No
Take from the table	-	No	Yes	No	No	Majority	No
Motion relating to voting if made while subject is pending	I	No	Yes	No	Yes	Majority except 2/3 to close the polls	Close polls no, reopen polls negative vote only, others yes

Motion	Class	In order when another has the floor?	Must be seconded?	Debatable?	Amendable?	Vote required for adoption	Can be reconsidered
Motion relating to voting if made while no question is pending	M	No	Yes	Yes	Yes	Majority	Yes
To grant permission to withdraw or modify a motion after the motion has been stated by the chair	I	Yes, if not by general consent	Yes, if by one requesting. No, if by another.	No	No	Majority	Negative vote only

Taken from <http://www.caves.org/nss-business/bog/app-r.html>, from: Robert, H.M., *Robert's Rules of Order, Newly Revised*, Scott Foresman and Co., Glenview, Illinois 1970

116L.666 WORKFORCE SERVICE AREAS.

Subdivision 1. **Designation of workforce service areas.** For the purpose of administering federal, state, and local employment and training services, the commissioner shall designate the geographic boundaries for workforce service areas in Minnesota.

The commissioner shall approve a request to be a workforce service area from:

(1) a home rule charter or statutory city with a population of 200,000 or more or a county with a population of 200,000 or more; or

(2) a consortium of contiguous home rule charter or statutory cities or counties with an aggregate population of 200,000 or more that serves a substantial part of one or more labor markets.

The commissioner may approve a request to be a workforce service area from a home rule charter or statutory city or a county or a consortium of contiguous home rule charter or statutory cities or counties, without regard to population, that serves a substantial portion of a labor market area.

The commissioner shall make a final designation of workforce service areas within the state after consulting with local elected officials and the governor's Workforce Development Council. Existing service delivery areas designated under the federal Job Training Partnership Act shall be initially designated as workforce service areas providing that no other petitions are submitted by local elected officials.

The commissioner may redesignate workforce service areas, upon the advice of the affected local elected officials, no more frequently than every two years. These redesignations must be made not later than four months before the beginning of a program year.

Subd. 2. **Creation of local workforce councils.** A local workforce council must be established in each workforce service area, designated according to subdivision 1.

Subd. 3. **Membership on local workforce councils.** In workforce service areas representing only one home rule charter or statutory city or a county, the chief elected official must appoint members to the council. In workforce service areas representing two or more home rule charter or statutory cities or counties, the chief elected officials of the home rule charter or statutory cities or counties must appoint members to the council, in accordance with an agreement entered into by such units of general local government.

A council shall include as members:

(1) representatives of the private sector, who must constitute a majority of the membership of the council and who are owners of business concerns, chief executives or chief operating officers of nongovernmental employers, or other private sector executives who have substantial management or policy responsibility;

(2) at least two representatives of organized labor;

(3) representatives of the area workforce and community-based organizations, who shall constitute not less than 15 percent of the membership of the council; and

(4) representatives of each of the following:

- (i) educational agencies that are representative of all educational agencies within the workforce service area;
- (ii) vocational rehabilitation agencies;
- (iii) public assistance agencies;
- (iv) economic development agencies; and
- (v) public employment service agencies.

The chair of each local workforce council shall be selected from among the members of the council who are representatives of the private sector.

Private sector representatives on the local workforce council shall be selected from among individuals nominated by general purpose business organizations, such as local chambers of commerce, in the workforce service area.

Education representatives on the local workforce council must include at least one representative from a local adult basic education program approved under section 124D.52 and the remaining education representatives shall be selected from among individuals nominated by secondary and postsecondary educational institutions within the workforce service area.

Organized labor representatives on the local workforce council shall be selected from individuals recommended by recognized state and local labor federations, organizations, or councils. If the state or local labor federations, organizations, or councils fail to nominate a sufficient number of individuals to meet the labor representation requirements, individual workers may be included on the local workforce council to complete the labor representation.

The commissioner must certify a local workforce council if the commissioner determines that its composition and appointments are consistent with this subdivision.

Subd. 4. Purpose; duties of local workforce council. The local workforce council is responsible for providing policy guidance for, and exercising oversight with respect to, activities conducted by local workforce centers in partnership with the local unit or units of general local government within the workforce service area and with the commissioner.

A local workforce center is a location where federal, state, and local employment and training services are provided to job seekers and employers.

A local workforce council, in accordance with an agreement or agreements with the appropriate chief elected official or officials and the commissioner, shall:

(1) determine procedures for the development of the local workforce service area plan. The procedures may provide for the preparation of all or any part of the plan:

- (i) by the council;
- (ii) by any unit of general local or state government in the workforce service area, or by an agency of that unit; or
- (iii) by any other methods or institutions as may be provided in the agreement;

(2) select the recipients for local grants and an administrator of the local workforce service area plan. These may be the same entity or separate entities and must be chosen from among the following:

- (i) the council;
 - (ii) a unit of general local or state government in its workforce service area, or an agency of that unit;
 - (iii) a nonprofit organization or corporation; or
 - (iv) any other agreed-upon entity;
- (3) jointly plan for local collaborative activities including the transition of public assistance recipients to employment in the public or private sectors;
- (4) provide on-site review and oversight of program performance;
- (5) establish local priorities for service and target populations;
- (6) ensure nonduplication of services and a unified service delivery system within the workforce service area;
- (7) ensure that local workforce centers provide meeting space, free of charge, for meetings of displaced homemaker programs, established under section 116L.96; and
- (8) nominate individuals to the governor to consider for membership on the governor's Workforce Development Council.

History: 1997 c 118 s 1; 1999 c 223 art 2 s 38; 2004 c 206 s 52; 1Sp2005 c 1 art 4 s 30; 2007 c 135 art 2 s 16; 2009 c 65 s 1



Mission: To provide leadership that integrates workforce, education and economic resources for our communities.

Date

Name

Address

City, State Zip

Dear **Name**:

Attending the Central Minnesota Workforce Investment Board (WIB) and assigned committee meetings on a regular basis is critical to the success of the board in its federally-mandated oversight of the workforce development system. The Joint Powers Board (JPB) has set forth a JPB Agreement that identifies policy and regulations on attendance (see attachment). In addition, the WIB's Policy and Procedure Manual includes a guiding principle that is "*designed to ensure that all board and committee meetings are well-attended in a quorum of contributing directors.*" (See enclosed Board Meeting Attendance Policy.)

Attending assigned WIB committee meetings, such as the Workforce Development Committee, the Community and Government Relations Committee, or the Youth Council, is essential to the growth and development of the WIB and its directives under the Workforce Investment Act (WIA). The essential work of the board is accomplished in WIB committees. As a director, your attendance is fundamental to the accomplishments of your assigned committee. When you fail to attend, the important mission and goals of your committee are compromised, especially when quorums are not met. The result is an unproductive committee with discouraged directors.

You were highly recommended and selected by the JPB to reside on the Central Minnesota WIB due to your outstanding leadership and commitment to workforce development matters. The board and its committees have important work to

Members

John Forbes, *Litchfield*
Chair

Trish Taylor, *Monticello*
Vice Chair

Brian O'Donnell, *Glencoe*
Treasurer

Elaine Hierlinger, *Princeton*
Secretary

Francisco Altamirano,
Hanover

Rita Bernard, *Elk River*

Fred Carlson, *Mora*

Joan Danielson, *Willmar*

Marlys Dunne, *Lindstrom*

Elmer Eichelberg, *Wright*

Clark Gustafson, *Litchfield*

Michael Mickelson, *Willmar*

Jill Jensen, *Monticello*

Robert Musgrove, *Pine City*

Mark Netzinger, *Cambridge*

Rodney Pederson, *Buffalo*

Dennis Peterson, *Spicer*

Mark Sexton, *Maple Lake*

Wally Strand, *Litchfield*

Jenny Winkelaar, *Lindstrom*

Jordan Zeller, *Mora*

accomplish over the coming year requiring your support. Important initiatives currently being worked on include:

- Completion of the WSA 5 Demographic and Economic Regional Profile (required under WIA law), which will be presented to the WIB by Cameron Macht over the next 6 months during the LMI Presentation at 9:00 a.m., beginning January 13, 2012.
- Focus efforts on supporting the development of new entrepreneurs in WSA 5: Inviting key agencies and community supporters to the table to create an information packet for aspiring entrepreneurs in the region. Recent visitors to the Workforce Development Committee include bank presidents and lenders, the Small Business Development Commission, and DEED's Business Services manager, and many more.
- Develop a more proactive regional data collection effort to complement the existing DEED LMI statistics using leading indicators looking forward.
- Review industry clusters by region to determine if they are still viable.
- Learn more about the economic tax advantages for business expansion and communicate this information to businesses in the region.
- Convene legislators, superintendents, principals, chamber of commerce directors and its chairs, economic development professionals, mayors, Adult Basic Education, college presidents, and other key community members, inviting them to the WIB to discuss workforce development partnerships and how we can better work together to serve our communities.
- Connect economically disadvantaged, at-risk youth to employment and training programs that focus on helping them become productive and self-sufficient citizens.
- Engage youth in a wide variety of work experience activities in the community.
- Encourage private sector partnerships to support John Forbes' Youth Workforce Protégé Program, where a youth participant is placed in a work experience at a local business and the business agrees to provide one-on-one mentorship, as well as an agreed upon portion of the youth's work experience wages. Central Minnesota Jobs & Training Services, Inc. (CMJTS) is the employer of record and pays for workman's compensation while the business is the mentoring partner.
- Promote youth Career Academies (formerly Camps to Careers) and engage local business in donating cash and/or supplies, offering their time to be a guest speaker, hosting tours of their facilities, and mentoring youth in work experiences.

These are just a few projects the WIB is working on and they need your leadership and attendance in order to accomplish their annual goals and provide workforce development guidance to the community.

Name


Date

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The goals and outcomes of the WIB and its committees are monitored on an annual basis by DEED and the U.S. Department of Labor. Committees with highly-defined and developed goals and action plans are successful and committee members are engaged.

Board attendance records are reviewed by the WIB's Executive Committee on a regular basis. To date, you have missed ___ of ___ WIB meetings and ___ of ___ Committee meetings since **July 1, 2011**. The Executive Committee understands that directors are busy with work and personal life. If you are unable to invest time and energy to the Central Minnesota Workforce Investment Board or if you are having difficulty in attending your assigned WIB committee, please contact me at 320-693-3287 to discuss your issues and concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "John Forbes". The signature is fluid and cursive, with the first name "John" and last name "Forbes" clearly distinguishable.

John Forbes, Chair

Enclosure: Board Meeting Attendance Policy



Outgoing WIB Director Questionnaire

The Central Minnesota Workforce Investment Board and Joint Powers Board would like to thank you again for your contributions during your membership on the board. Please help us continue to make improvements to the board and its committees by answering the following questions. Your honest responses are greatly appreciated! (Your answers and comments will only be reviewed by members of the Executive Committee; they will not be published publicly.)

1. How can the WIB better serve its members?

- Training (orientation, fiscal training, governance policies and procedures)

- Committee assignments

- Meeting schedules, number of meetings per year

- Staff support

- Communication Staff support

- Other

