

MEMORANDUM

TO: The Honorable Kenneth T. Welch, Chairman and Members of the
Board of County Commissioners

FROM: Dennis R. Long, PCED Consultant

THROUGH: Mark S. Woodard, County Administrator

SUBJECT: CareerSource Pinellas Policy Considerations/Discussion

DATE: September 25, 2018

In support of the ongoing evaluation of the delivery of workforce programs and services, the June 29, 2018 Report and Recommendations Relating to CareerSource Pinellas Organizational Structure and Governance Model (“REPORT”) was presented to the Board of County Commissioners at its September 13, 2018 meeting, along with proposed revisions to the CSPIN bylaws and workforce interlocal agreement. The issues and related policy considerations outlined below are offered to facilitate BCC discussions identifying and implementing the optimum workforce program and services delivery model consistent with the requirements of applicable federal and state law, including the responsibilities of, and relationship between, the BCC acting as the Chief Elected Officials (CEO) and CSPIN.

- I. Consider the REPORT recommendations that are summarized in Addendum A attached hereto relating to the interlocal agreement, CSPIN bylaws, administrative policies, and program oversight. These recommended revisions to the program governing documents relating to governance can be presented to CSPIN and implemented now, upon the direction of the BCC.

- II. Consider the Tampa Bay Partnership proposal to combine Pinellas and Hillsborough counties into a single workforce region with a single local workforce board, including:
 - process to secure buy-in from the county commissions, local workforce boards, business community and NGOs, program partners, and the public;
 - timing of buy-in process; required and optional studies; and negotiations relating to the terms of the regional service delivery model, governing documents, program oversight and the CEO structure;
 - creation of a task force to evaluate and recommend the best governance structure (as proposed by the Partnership).

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III. Consider alternatives to the BCC approval/agreement process for its responsibilities as the CEO under the WIOA, which include: (a) appointment of workforce board members; (b) appointment (at BCC's option) of sub-grant recipient/fiscal agent; (c) approval of the local administrative entity; (d) approval of the annual budget; (e) development/approval of the 4 year plan in partnership with the local workshop board; (f) agreement relating to CSPIN's selection the one-stop operator, the MOUs with one-stop partners, and one-stop oversight; (g) negotiating and reaching agreement on local performance measures; (h) establishing bylaws; (i) conducting program oversight and ensuring appropriate use and investment of funds. Options include:

- maintain the current process - a County Commissioner serves on the CSPIN board and its committees and is the BCC liaison to the workforce board. Certain matters are submitted for approval after development and approval/adoption by CSPIN (i.e. annual budget), while other action items (i.e. selection of the one-stop operator or bylaws) have been assigned to CSPIN (in the interlocal) for final action.
- CareerSource Broward model - a Council of Elected Officials (County Commissioner and 2 Mayors) meets jointly with the Broward workforce board, and both boards consider and approve and/or consent to action items;
- create a workforce committee internal to the County which includes the County Commissioner serving on the CSPIN board and appropriate staff (administrative and legal), and require CSPIN to provide information, presentations and responses to questions relating to CEO responsibilities to the committee before submission to the BCC;
- regardless of the process, evaluate the CEO responsibilities that have been assigned to CSPIN for approval without specific BCC approval in the interlocal agreement to determine if additional BCC review is appropriate.

IV. Consider separating the local fiscal agent and administrative entity responsibilities, and assigning one of these responsibilities to a third party provider.

- as recommended in the REPORT, whether CSPIN is authorized to continue to act as a direct services provider should be first resolved by the BCC;
- timing of this BCC decision - recommendation in the REPORT is to address this after resolution of the USDOL and DEO inquiries, and CSPIN operations have stabilized and governance has been finalized.

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ADDENDUM A

- A. The policy and oversight responsibilities, as well as the business and affairs of CSPIN should be conducted by the full CSPIN Board.
- B. Increase the number of CSPIN Board meetings to allow full consideration of all action items from staff and the committees.
- C. Limit Executive Committee meetings in the bylaws to months when the CSPIN Board does not meet and time is of the essence in taking any action, or to emergency situations where the failure to act would result in irreparable harm.
- D. Change the bylaws quorum requirements to require at least 40% plus one of the membership for Board meetings, and at least 50% plus one of the membership for Executive Committee meetings.
- E. Provide in the bylaws that major policy decisions defined in the REPORT can only be approved by the CSPIN Board.
- F. Eliminate the bylaw requirement that the Board treasurer be appointed from the private sector membership.
- G. Change the bylaws relating to the Finance Committee to reflect that all budget modifications must be approved by the full Board, and that the Finance Committee shall review financial statements and report on CSPIN's financial status to the full Board.
- H. Clarify the Audit Committee bylaws provision to: (i) specify that in addition to arranging and procuring the required annual Financial audit, the Audit Committee has the authority to arrange and procure Operational and Performance audits (as defined Sec. 11.45 F.S.), performed by independent firms or the Division of Inspector General, Clerk of the Circuit Court and Controller; (ii) specify that in addition to "reviewing" reports, the Audit Committee has the authority to report findings and make recommendations on actions to the full Board.
- I. Eliminate any reference to "President" in the bylaws, because the CEO/Executive Director/President is not an officer of the corporation.
- J. Revise the Executive Committee consent agenda process in the bylaws from the five day requirement to request a proposed action be brought before the full Board, to seven business days.
- K. Update the CSPIN Board of Directors policy manual to incorporate all policies, including financial and purchasing policies.
- L. Define the approval authority granted to the executive director for purchases, contracts, and other obligations; limit that authority to a level that is necessary to conduct the day to day business of CSPIN for expenditures that are included in the line item budget; require all delegated approvals to be reported to the full Board.

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ADDENDUM A (CONT.)

- M. Clarify the bylaws to specify the power of the BCC to remove directors when it determines it is in the best interests of the workforce programs; change the authority to recommend revocation of membership from the Executive Committee to the full Board.
- N. The BCC should formally adopt the County Boards and Commissions application process for appointment of directors, including incorporating the requirements of the Acts into the application, and amending the bylaws to eliminate any inconsistencies with the BCC process.
- O. Cap the number of board members in the bylaws to no more than 35 now, and to no more than 25 or the minimum number of directors required by the WIOA, whichever is greater, by July 1, 2020.
- P. Direct all financial information and program monitoring reports to the CSPIN Board through the appropriate committee, including but not limited to the periodic financial statements, federal and state monitoring reports, financial and other audits, independent accountants' reports; add the requirement of a "voucher and paid bills" report to the required reporting to the CSPIN Board, and route it through the Finance Committee.
- Q. Require CSPIN to provide quarterly financial reports to the BCC, as well as any federal or state agency monitoring reports or claims for disallowed costs, and any independent accountants' reports.
- R. Pursuant to the terms of the Interlocal, the County should immediately initiate an Operational audit of CSPIN to evaluate management's performance in establishing and maintaining internal controls, conducted by the Clerk's Office of Inspector General.
- S. Require CSPIN to retain an independent accounting firm (other than the outside auditing firm) to recommend appropriate internal controls.
- T. Amend the bylaws to confirm the full board has the authority to hire the executive director and legal counsel; create a CSPIN executive director and legal counsel search committee in the bylaws; duties include updating qualifications and recommending a search process (subject to full board approval), screening and ranking applications/proposals; members to include the County Commissioner Vice-Chair and PCED Board member.