

Governance Work Group

Entity Structures and
Recommendations

4 Entities for Review

- Minnesota State Board on Aging
- Minnesota World Trade Center
- Hennepin Health Systems
- ClearWay Minnesota

Creation and Structure

State Board on Aging	Minnesota World Trade Center	Hennepin Health System	ClearWay Minnesota
<ul style="list-style-type: none">•Created by the Legislature•State board, subject to laws governing state agencies with limited exceptions	<ul style="list-style-type: none">•Created by the Legislature•State agency but exempt from many laws governing state agencies	<ul style="list-style-type: none">•Created by the Legislature and Hennepin County•Public corporation, but subject to some laws governing states agencies•Subsidiary of Hennepin County, with the County as the only member	<ul style="list-style-type: none">•Created by district court order•Nonprofit organization subject to court supervision•Lifespan limit of 25 years

Funding and Liability

State Board on Aging	Minnesota World Trade Center	Hennepin Health System	ClearWay Minnesota
<ul style="list-style-type: none"> •Funded in part by the Older Americans Act, grants and bequests •Public depository of funds is required •Tort Claims Act applies 	<ul style="list-style-type: none"> •Funded by legislative appropriation; revolving fund •Public depository of funds is required •Tort Claims Act applies 	<ul style="list-style-type: none"> •Funded by fees charged for healthcare services; uncompensated care funded by Hennepin County •Public depository of funds is required •Municipal tort liability limits apply 	<ul style="list-style-type: none"> •Funded by proceeds from Minnesota tobacco settlement •Public depository of funds is required •Private organization tort rules and standards apply

Appointment and Structure

State Board on Aging	Minnesota World Trade Center	Hennepin Health System	ClearWay Minnesota
<ul style="list-style-type: none"> •Board of Directors •25 members •Appointed by the Governor •One from each congressional district, the remainder at large •Consecutive term limited 	<ul style="list-style-type: none"> •Board of Directors •16 members •Appointed by the Governor, Speaker and Senate;4 elected, 4 appointed international business representatives; 3 house, 3 senate members, one each from minority party 	<ul style="list-style-type: none"> •Board of Directors •11-15 members •2 county commissioners •Remaining slate of directors nominated by board •County board may approve or reject entire slate 	<ul style="list-style-type: none"> •Board of Directors •19 members •11 at-large •8 appointed, 2 each by the Governor, Senate Majority Leader, Speaker and Attorney General •Board determines qualifications •Consecutive term limited

Board Conflicts, Term, Compensation, and Removal

State Board on Aging	Minnesota World Trade Center	Hennepin Health System	ClearWay Minnesota
<ul style="list-style-type: none"> •Minnesota's public officials gift ban and conflicts rules for state employees apply •4 year terms •State public official per diem applies •Removal for cause 	<ul style="list-style-type: none"> •No specified standard for conflicts •4 year terms •State advisory board per diem applies •Removal at pleasure of appointing authority 	<ul style="list-style-type: none"> •Non-profit standards for conflicts applies •Term determined by bylaws •Compensation determined by bylaws •Removal with or without cause by two-thirds majority of board 	<ul style="list-style-type: none"> •Non-profit standards and a board created conflicts policy applies •3 year terms (2 term limit) •Uncompensated directors •Removal with or without cause by two-thirds majority of board

Board Duties and Liability

State Board on Aging	Minnesota World Trade Center	Hennepin Health System	ClearWay Minnesota
<ul style="list-style-type: none">•Duties are established by statute (Minn. Stat. § 256.975)•Employees covered by Tort Claims Act limitations	<ul style="list-style-type: none">•Duties established by statute (Minn. Stat. § 44A.025)•Employees covered by Tort Claims Act limitations	<ul style="list-style-type: none">•Duties established by bylaws/Board of Directors•Unpaid Directors exempt from liability	<ul style="list-style-type: none">•Duties established by bylaws/Board of Directors• Unpaid Directors exempt from liability

Corporate Powers and Reserved Powers

State Board on Aging	Minnesota World Trade Center	Hennepin Health Systems	ClearWay Minnesota
<ul style="list-style-type: none"> •Power to accept funding and secure reimbursements •Power to establish and administer certain programs •Limited by statutory delegation 	<ul style="list-style-type: none"> •Power to promote international trade •Power to contract, set fees, buy and sell property, and spend money appropriated •Assets to the state upon dissolution 	<ul style="list-style-type: none"> •Power to use County Services •Power to offer services to public and retain profits •Statutory powers limited by statutory delegation , restrictions on private inurement •County authority on budget, audit and dissolution/mgmt 	<ul style="list-style-type: none"> •Statutory non-profit powers •Power to contract and fundraise •Limited by court order •Assets to the general fund upon dissolution

Operational Flexibility Mandates

State Board on Aging	Minnesota World Trade Center	Hennepin Health System	ClearWay Minnesota
<ul style="list-style-type: none"> •Subject to Data Practices Act •Subject to Open Meeting Law with specific exception •Subject to Chapter 14 rulemaking •Subject Chapter 16 procurement •Subject to Gift Ban and State Conflicts Policy 	<ul style="list-style-type: none"> •Subject to Data Practice Act with specific exceptions •Subject to Open Meeting Law •Not subject to Chapter 14 rulemaking •Excepted from procurement chapters 16A and 16B 	<ul style="list-style-type: none"> •Subject to Data Practices Act with specific exceptions •Subject to Open Meeting Law with specific exceptions •Not subject to Chapter 14 rulemaking •Excepted from public procurement requirements 	<ul style="list-style-type: none"> •Subject to Data Practices Act •Subject to Open Meeting Law •Not subject to Chapter 14 rulemaking •Excepted from public procurement requirements

Recommendations for Good Governance

1. Assure compliance with Federal Medicaid Laws

2. Board of Directors

- 11-15 members
- Staggered terms
- A mixture of self-perpetuating and appointed members
- Statutorily designated guidance as to attributes of individuals
- Subject to open appointments
- Consideration of per diem and expense reimbursement

Recommendations (cont.)

3. Accountability

- Specify the Exchange is subject to the Legislative Auditor's jurisdiction
- Establish a rigorous conflicts of interest policy with the goal of a fair and open marketplace; including:
 - Minnesota's Gift Ban and state employee conflicts policy
 - Minnesota's nonprofit law conflicts policy
- Place salary limits upon employees based upon advice of independent salary consultants
- Allow transferability of state employee retirement assets to assure qualified staffing

Recommendations (cont.)

3. Operational flexibility

- Apply requirements of Open Meeting Law but with carefully crafted exceptions
- Apply requirements of the Data Practices Act but with carefully crafted exceptions- importantly related to strategic/competitive and commercially sensitive information
- No statutory mandate for compliance with all state procurement laws but requirements for responsible procurement

3. Operational Flexibility (cont.)

- Specify the Exchange is a nontaxable entity
- Allow for intergovernmental transferability
- Not subject to statutory rulemaking but provide a mechanism for consumer and industry input into policy decisions