

INFORMATION NOTICE

WORKFORCE SERVICES

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TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: FEDERAL REGULATIONS GUIDING LOCAL BOARD DECISIONS

This Information Notice serves to remind the Local Workforce Investment Boards (local board) of federal regulations regarding procurement decisions and other board responsibilities. Decisions made by the local boards have significant implications for service providers and the participants they serve and thus must be made in a transparent and ethical manner.

Guiding Federal Statutes and Regulations:

- *“Sunshine provision” regulations* for local boards [20 Code of Federal Regulations (CFR) 661.307]. Specifically, a local board must conduct its business in an open manner and make activities of the board available to the public, including the development of specific policies and the minutes of formal board meetings upon request.
- *Uniform Administrative Requirements* for procurement (29 CFR 97.36 and 29 CFR 95.42). The Uniform Administrative Requirements are government-wide standards around procurement that all Federal grantees must follow, including standards for conflict of interest. The Department of Labor codified these requirements at 29 CFR Part 97 for governmental grantees and at 29 CFR Part 95 for non-governmental grantees. These requirements describe specific instances which would constitute a conflict of interest, the types of characteristics that should be considered when making awards to contractors, requirements for procurement protest procedures, and other requirements.
- *Conflict of interest regulation* for entities receiving Workforce Investment Act (WIA) title I funds (20 CFR 667.200(a)(4)). This part of the WIA regulations indicates that in addition to the uniform administrative requirements described above, a local board member or a Youth Council member must neither cast a vote, nor participate in decision-making, on the provision of services by that member or any organization which that member directly represents. The local board member also must not cast a vote, nor participate in decision-making, on any matter which would provide any direct financial benefit to that member or a member of his or her immediate family. WIA regulations note that, by itself, neither membership on a local board or Youth Council alone, nor the receipt of WIA funds to provide training and related services, violates these conflict of interest provisions.

EDD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. Special requests for services, aids, and/or special formats need to be made by calling (916) 654-8055 (Voice). TTY users, please call the California Relay Service at 711.

- *The Hatch Act and its regulations*, for individuals paid with Federal funds (5 CFR 151). The Hatch Act restricts the political activity of individuals principally employed by local executive agencies and who work in connection with programs financed in whole or in part by Federal loans or grants. Covered local employees may not, among other things, use their official authority or influence to interfere with or affect the results of an election or nomination; or directly or indirectly coerce, attempt to coerce, command, or advise a state or local officer or employee to pay, lend, or contribute anything of value to a party, committee, organization, agency, or person for political purposes. More information about how the Hatch Act applies to local officials is available at www.osc.gov/documents/hatchact/ha_sta.pdf.

Local boards are encouraged to regularly review and be aware of the relevant federal, state and local rules guiding procurement decisions and other board responsibilities. Additionally, local boards should include this guidance in orientations for new board members.

If you have any questions, please contact your [Regional Advisor](#) at (916) 654-7799.

/S/ MICHAEL EVASHENK, Chief
Workforce Services Division