

Minnesota Attorney General: Administrative Rules Proceedings

Copyright Notice:

This material may be protected by copyright law (U.S. Code, Title 17). Researchers are liable for any infringement. For more information, visit www.mnhs.org/copyright.

Version 3
August 20, 2018

ATTORNEY GENERAL

February 16, 1988

PAUL W. GOLDBERG
Commissioner

JULIE A. LEPPINK
Special Assistant
Attorney General

6-9422

In the Matter of the Adopted Rule Relating to Minnesota Area Labor-Management Committee Grant Program

The above-referenced rule has been approved as to its legality by the Attorney General on February 15, 1989.

Enclosed is the agency's copy of the approved rule. This office has already filed two copies with the Secretary of State who will forward one copy to the Revisor of Statutes. The fourth is being retained by this division of the Attorney General's Office for its records.

Also enclosed are any petitions, requests, submission or comments received by the agency and any extra copies of documents which the agency submitted to the Attorney General.

In order for a permanent rule without a hearing to become effective, your agency must publish a notice of adoption in the State Register in accoradance with Minn. Stat. §14.27. An emergency rule becomes effective five working days after approval by the Attorney General; however, the agency must publish a notice in the State Register in accordance with Minn. Stat. §14.34.

If you have any questions in this regard, please contact me.

JAL:rer
Enclosures

cc: Maryanne Hruby
Executive Director
Legislative Commission to Review
Administrative Rules

William Brown
Chief Administrative Law Judge
Office of Administrative Hearings

RULE REVIEW CHECKLIST
RESUBMITTED RULE

File No. 1558 Docket No. 05.0009.0650

RESUBMISSION DATE 2/7/89
DATE DUE

APPROVED ~~Jan 2 2/11/89~~
DISAPPROVED
WITHDRAWM

ADOPTED W/O HEARING
EMERGENCY RULE

REVISOR APPROVED
REVISOR DISAPPROVED
FILED W/SEC. STATE
RETURNED TO AGENCY

JAL 2/15/89

NO Does the revision raise significant new legal issues?

____ Review date

✓ Rule as adopted (4 copies)

✓ Supplemental Findings of Fact, Conclusions & Order Adopting

____ ~~Board's Supplemental~~ Resolution Adopting

____ Notice of submission to Attorney General

____ Affidavit of Mailing Notice to Attorney General

OFFICE MEMORANDUM

DEPARTMENT: BUREAU OF MEDIATION SERVICES
STATE OF MINNESOTA

TO: Rita Desmond
Attorney General's Office

DATE: January 10, 1989 PHONE: 649-5421

FROM: Paul W. Goldberg, Commissioner
Bureau of Mediation Services

SUBJECT: Rules of the Bureau of Mediation Services Relating to the Minnesota Area Labor-Management Committee Grant Program

Enclosed for your review is an order withdrawing the above-entitled rules from review by the Attorney General. We will be resubmitting the rules after the modifications you suggested have been made. Thank you.

PWG:csc

cc: Andrea Kircher

RECEIVED
JAN 11 89
ATTORNEY GENERAL'S OFFICE
515 TRANSPORTATION BLDG.
ST. PAUL, MN 55155

STATE OF MINNESOTA

BUREAU OF MEDIATION SERVICES

In the Matter of the Proposed Adoption of Rules of the State Bureau of Mediation Services Relating to the Minnesota Area Labor-Management Committee Grant Program	ORDER OF WITHDRAWAL OF RULE FROM REVIEW BY ATTORNEY GENERAL

I hereby order that Minnesota Rules, Parts 5520.0100 to 5520.0800 be withdrawn from review by the attorney general this tenth day of January, 1989.

Name Paul W. Goldberg

Title Commissioner

Date January 10, 1989

RECEIVED
JAN 11 89
ATTORNEY GENERAL'S OFFICE
515 TRANSPORTATION BLDG
ST. PAUL, MN 55155

Bureau of Mediation Services

Adopted Permanent Rules Relating to Minnesota Area Labor-Management Committee Grant Program

Rules as Adopted

5520.0100 APPLICATION.

Parts 5520.0100 to 5520.0800 apply to the preparation, submission, and approval of applications for grants under the Minnesota Area Labor-Management Committee Grant Program.

5520.0110 POLICY.

Parts 5520.0100 to 5520.0800 shall be liberally construed to accomplish the provisions and purposes of the Minnesota Area Labor-Management Committee Grant Program.

5520.0120 DEFINITIONS.

Subpart 1. **Scope.** For the purpose of parts 5520.0100 to 5520.0800, the terms defined in this part have the meanings given them.

Subp. 2. **Application.** "Application" means a written request for grant funds completed on a form developed by and available from the bureau.

Subp. 3. **Bureau.** "Bureau" means the Minnesota Bureau of Mediation Services.

Subp. 4. **Commissioner.** "Commissioner" means the commissioner of the bureau or an authorized agent.

Subp. 5. **Area Labor-Management Committee or committee.** "Area Labor-Management Committee" or "committee" means an organization of representatives from multiple labor organizations and multiple employer enterprises within a geographic area or statewide employment sector which has as its principle purpose the strengthening of union-management relations within the area or sector.

Subp. 6. **Grant program.** "Grant program" means the Minnesota Area Labor-Management Committee Grant Program, as

Approved by Revisor 

created in Minnesota Statutes, sections 179.81 to 179.85.

Subp. 7. **Office of Cooperative Labor-Management Programs.** "Office of Cooperative Labor-Management Programs" means the office within the bureau created to administer the grant program.

Subp. 8. **Technical assistance delivery area (TADA).** "Technical assistance delivery area (TADA)" means a geographical area or a statewide employment sector outside of the jurisdiction of an established Area Labor-Management Committee that has been designated by the commissioner to receive technical assistance from a grant recipient.

5520.0200 GRANT APPLICATIONS.

Subpart 1. **Scope.** The procedures in this part will be used by the commissioner in receiving and considering grant program applications.

Subp. 2. **Notice and deadline.** On or before September 1 of each calendar year, the commissioner shall publish a notice of the availability of funds under the grant program in the State Register. An application for a grant must be submitted to the bureau by October 15 of the previous year.

Subp. 3. **Application form and purpose.** Each application must be on forms available from the bureau and must include a statement of purpose and a description of the Area Labor-Management Committee requesting grant funds. All current committee members and officers must be identified in the application and a brief description of the committee's existing or proposed operating procedures must be included. A copy of the committee bylaws, if adopted, must also accompany the application.

Subp. 4. **Statement of goals.** The application must include a descriptive statement of the labor-management climate and major issues or problems existing in the committee's area of jurisdiction, as well as the major purpose or goal of the committee in the context of the problems. The goal statement must describe specific changes or outcomes the committee seeks to accomplish through use of grant program funds. Quantifiable,

Approved
by Revisor _____

specific goal and problem statements are encouraged. Applicants should avoid broad, generic, overly-generalized statements.

Subp. 5. **Methodology.** The application must include a description of the approach and methodology to be used by the committee in solving the problems and achieving the goals identified in subpart 4. The application must include an implementation plan setting forth specific and measurable goals and objectives to be accomplished during the grant period, the major action steps to be taken, a timetable indicating when those action steps will be taken, and when goals and objectives will be accomplished.

Subp. 6. **Financial plan.** The application must include a four-year financial plan detailing the revenues and expenditures anticipated over a four-year period, commencing with the year for which the grant is being requested. The plan must identify the total amount of state funding necessary to carry out the committee's goals and objectives and the money to be raised from other sources to meet the guidelines of the grant program. The plan must be accompanied by a proposed committee budget over the four-year period detailing how all money, including state grant money, is to be expended. Existing committees must also submit copies of actual financial statements for the four-year period preceding the proposed grant period.

5520.0250 GRANT RESTRICTIONS.

Subpart 1. **Labor negotiations, grievances, or disputes.** No committee funded, in whole or in part, through the grant program may engage in activities directly or indirectly related to labor negotiations, contract disputes, or grievance procedures. Violation of this subpart is grounds for termination of the grant.

Subp. 2. **Prior obligations.** No grant money may be used directly or indirectly to cover costs incurred before the effective date of the grant nor to cover costs that are not specifically related to the goals in the application. No finder's fee or other form of payment for successful application

Approved
by Revisor _____

shall be permitted in conjunction with the grant program.

Subp. 3. **TADA set-aside.** An amount equal to ten percent of the total amount of every grant shall be designated and may only be used to provide technical assistance to the technical assistance delivery area designated by the commissioner, pursuant to a technical assistance work plan approved by the commissioner.

Subp. 4. **Delegation or transfer.** A successful applicant may not, in whole or in part, delegate or transfer responsibility for the management of the grant or control and use of its funds to any other organization or entity.

5520.0300 GRANT PERIOD AND AMOUNT.

Subpart 1. **Grant period.** All grants are awarded for a 12-month period commencing January 1.

Subp. 2. **Amount.** The amount of each grant will be determined by the commissioner after considering the merits and reasonableness of each application, the total funds available in relationship to the total amounts requested, prior awards and experiences with individual applicants, the usual and customary costs of operating a committee, and the overall purposes and goals of the program.

Subp. 3. **Ratio of state and nonstate funds.** Regardless of the funds available, no grant will be awarded that would be inconsistent with the following ratio of state and nonstate revenues for the committee: (Year 1 is the first year state funds are received under this program, Year 2 is the second, etc.)

	% Nonstate Revenues	% State Revenues
YEAR 1	10	90
YEAR 2	20	80
YEAR 3 & Beyond	50	50

5520.0400 TECHNICAL ASSISTANCE DELIVERY AREA.

Subpart 1. **Designation.** Based upon an assessment of overall needs and potential, as well as the recommendations of grant applicants, the commissioner shall designate an external geographic area or statewide employment sector as a technical

Approved by Revisor _____

assistance delivery area for each grant recipient.

Subp. 2. **Work plan.** In consultation with the Office of Cooperative Labor-Management Programs, each grant recipient shall prepare and submit a plan for using the TADA portion of its grant to foster the growth and development of an Area Labor-Management Committee within the area or sector designated by the commissioner in subpart 1. The plans are subject to the approval of the commissioner and ~~may~~ shall not be amended ~~with~~ without advance written consent of the commissioner. ~~Failure to submit or adhere to a TADA work plan may be grounds for termination of a grant.~~

Subp. 3. **Reports.** Each grant recipient shall provide written quarterly reports to the commissioner concerning progress on its TADA work plan and expenditures of its TADA portion of the grant.

5520.0500 APPLICATION REVIEW PROCEDURES.

Subpart 1. **Competitive basis.** All timely and complete applications will be reviewed on a competitive basis. Grants will be awarded by the commissioner in amounts and to parties as deemed consistent with the overall purposes of the grant program. In evaluating applications and awarding grants, the factors described in this part will be considered.

Subp. 2. **Appropriateness.** The appropriateness of the proposal must be evaluated. Appropriateness includes:

A. consistency of the proposal's purpose with the public policy objectives of the grant program;

B. the extent and history of labor-management activity within the area to be served by the proposed grant;

C. other past or present cooperative labor-management activities within the designated area;

D. the need for public funding of the endeavor; and

E. the reasonableness of proposed expenditures in relationship to benefits to be derived.

Subp. 3. **Attainability of goals.** The attainability of the goals in the proposal must be evaluated. Attainability includes:

Approved
by Revisor _____

A. ability of the applicant to articulate quantifiable and meaningful goals and activities;

B. evaluation of the applicant's ability and capacity to implement program activities necessary to achieve stated goals;

C. prior success of the applicant in achieving previous program goals;

D. other labor-management activities in the area; and

E. the relationship of the proposed goals with the overall objectives of the grant program.

Subp. 4. **Support for the proposal.** Evidence of support for the proposal from multiple labor-management representatives within the area will be reviewed. The evidence may be submitted in the form of letters of endorsement, resolutions of support adopted by ad hoc groups, or other form that permits consultation and verification with individual representatives by the bureau. Established committees must attach a copy of the minutes of the meeting at which the proposal was approved and the minutes should reflect the names and organizations of all persons present for the meeting.

Subp. 5. **Financial plans.** The thoroughness of the four-year financial plan submitted as a part of the proposal, including an analysis of the overall reasonableness of revenue and expense projections; the detail and reasonableness of projected funding sources and amounts; and the detail and reasonableness of projected expenditures will be considered. Established committees must attach copies of actual financial operating statements that reflect annual revenue sources and amounts and expense categories and amounts for each year of the three-year period preceding the current year, as well as for the current year-to-date.

Subp. 6. **Work plans.** The thoroughness of detailed plans for achieving the major goals and objectives of the committee will be evaluated to determine the ability of the committee to identify key tasks and action steps necessary to the attainment of goals; the designation of appropriate time frames; relevance

Approved
by Revisor _____

of work plans to objectives of the grant program; and the extent of planning undertaken by the applicant with regard to its goals.

Subp. 7. **TADA plans.** Demonstrated understanding, capacity, and willingness to develop a meaningful technical assistant work plan for an external and independent technical assistance delivery area designated by the commissioner, including an expression of preferred technical assistance area and narrative discussion of potential work plan, will also be considered when evaluating an application.

5520.0520 WORK PLAN.

Each grant application must include a work plan that describes the major work steps to be undertaken by the committee during the grant period in achieving its individual goals and objectives. Work plans should describe each area of substantial program activity contemplated by the committee, the key steps necessary to achieving each program activity, and a time frame for determining progress in each activity area. Grantees are responsible for compliance with their work plans and for advising the Office of Cooperative Labor-Management Programs of any significant alterations in the goals, objectives, or work plans of the committee. Written quarterly reports, describing the progress and problems in adhering to the work plan, must accompany financial reports in conformance to the provisions of part 5520.0560.

5520.0540 BUDGET ADJUSTMENTS.

Grant recipients must consult, in writing, with the Office of Cooperative Labor-Management Programs before making budget adjustments that:

A. result in changes in the scope or objectives of the program in the approved application;

B. result in more grant money available than is necessary to meet the needs of the program;

C. result in a change in the percent of state funds available to the grantee that would be inconsistent with part 5520.0300, subpart 3, or Minnesota Statutes, section 179.85; or

Approved
by Revisor _____

D. amount to ten percent or more of the total grant awarded.

5520.0560 QUARTERLY REPORTS.

Each grant recipient must file detailed financial and activity reports on a quarterly basis in accordance with the following schedule:

A. Period covered: January 1 to March 31, date due: April 20;

B. Period covered: April 1 to June 30, date due: July 20;

C. Period covered: July 1 to September 30, date due: October 20; and

D. Period covered: October 1 to December 31, date due: January 20.

~~A failure to file timely reports will cause a suspension of the grant and may cause reductions in the amount of or termination of the grant.~~

5520.0600 ACCOUNTING SYSTEM.

Each grant recipient must establish and maintain a system of financial management of the grant that complies with accepted accounting practices. The system must provide accurate, current, and complete information on the financial status of each grant-supported activity and must include the generation of periodic reports indicating the allocation of funds by activity, the amount expended, and the amount obligated. Each dollar of Area Labor-Management Committee Grant Program money must be traceable through the accounting system.

All accounting documents must be supported by source documentation such as payroll records, invoices, and purchase vouchers. All employees paid in whole or in part from grant funds must prepare time sheets reflecting the number of hours worked on grant activities during the pay period and the payroll must be based on these time sheets. Any purchase of services agreement entered into by the committee must specify the amount and nature of services to be provided in a manner that

Approved
by Revisor _____

facilitates determination of an hourly or per-unit rate for those services.

5520.0620 AUDITS.

Subpart 1. **Financial and compliance audits.** All grant recipients must arrange for and undergo a financial and compliance audit at least once every two years. The audits must be performed by qualified individuals who are independent of those persons who authorize, manage, and carry out the expenditure of funds to ensure unbiased opinions, conclusions, or judgments. Grant recipients are responsible for arranging and paying for these audits. The purpose of the audit is to report on whether:

A. the financial operations have been conducted properly;

B. financial and other reports submitted as a part of the program have been presented fairly and accurately;

C. the grantee has complied with applicable laws, regulations, and policies;

D. resources are used and managed in an economic and efficient manner; and

E. program objectives and results are being effectively and economically achieved.

Normal accepted auditing methods and standards must be applied in the performance of this audit. Should an auditor become aware of irregularities in financial or programmatic performance, the auditor must promptly notify the commissioner of those irregularities and, if appropriate, higher grantee management officials than the level at which irregularities appear to lie.

Subp. 2. **Audit reports.** A written audit report shall be prepared and include:

A. a statement of the standards used in the performance of the audit;

B. financial statements and audit comments on the statements for the period;

Approved
by Revisor _____

C. audit comments regarding compliance and internal control; and

D. comments regarding the accuracy and completeness of financial and program reports filed by the grantee.

Three copies of the written audit report must be provided to the commissioner and a copy shall be made available to each member of the committee.

5520.0700 INITIAL PAYMENTS.

No grant payments will be issued until the grant application and required work plans have received final approval by the commissioner and a written grant contract has been executed and approved.

5520.0710 SUBSEQUENT PAYMENTS.

Subsequent grant payments will be made on a quarterly basis based on submission of a payment request form and other required reports. When computing requests for payment, the recipient should first apply any unused portions of a previous grant payment toward the next month's anticipated expenditures.

5520.0800 TERMINATION OF GRANTS.

Subpart 1. **General.** Grants ~~may~~ shall be suspended, terminated, or withdrawn, in whole or in part, by the commissioner if funds provided are used in a manner inconsistent with the policies of parts 5520.0100 to 5520.0800, or if it appears that funds are being used in a manner inconsistent with the stated goals and purpose of the grant application or approved amendments. Grants ~~may~~ shall also be suspended, terminated, or withdrawn if it appears that the applicant is unable or unwilling to fulfill responsibilities set forth in the application.

Subp. 2. **Notice.** In the event the commissioner believes that there is reason to suspend, terminate, or withdraw a grant, the commissioner shall provide written notice to the grant recipient stating the nature of the contemplated action, the anticipated effective date, and the reasons for the action. The

Approved
by Revisor _____

grant recipient may submit a written response to the notice within five working days of receipt of the notice from the commissioner. After investigating the situation, including any information provided by the committee in response to the commissioner's notice, the commissioner shall determine final action with regard to suspension, termination, or withdrawal of the grant. The commissioner shall provide written notice of the final determination to all interested parties.

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
FEB 10 1989
Secretary of State

Approved
by Revisor _____

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED

FEB 16 1989

Joan Anderson Growe
Secretary of State

9:40 AM

APPROVED AS TO FORM AND LEGALITY

February 15 19 89

HUBERT H. HUMPHREY III
ATTORNEY GENERAL

BY Julia Dayton
SPECIAL ASSISTANT ATTORNEY GENERAL

OFFICE MEMORANDUM

DEPARTMENT: BUREAU OF MEDIATION SERVICES
STATE OF MINNESOTA

TO: Rita Desmond
Attorney General's Office

DATE: February 6, 1989 PHONE: 649-5421

FROM: Paul W. Goldberg, Commissioner
Bureau of Mediation Services

SUBJECT: Rules of the Bureau of Mediation Services Relating to the Minnesota Area Labor-Management Committee Grant Program (Minnesota Rules Parts 5520.0100 to 5520.0800)

The above-entitled rule was withdrawn from review on January 10, 1989. The rule is now being resubmitted in accordance with the guidelines set forth in Rules Review 2010.1300, subpart 1.

The following documents concerning the above-entitled rule are enclosed for your review:

1. The supplemental findings of fact, conclusions, and order adopting the rule.

2. Four copies of the rule as adopted.

Robin Read 2/7/89 OK

STATE OF MINNESOTA

BUREAU OF MEDIATION SERVICES

In the Matter of the Proposed Adoption of Rules of the State Bureau of Mediation Services Relating to the Minnesota Area Labor-Management Committee Grant Program	SUPPLEMENTAL FINDINGS OF FACT, CONCLUSIONS, AND ORDER ADOPTING RULE WITHOUT PUBLIC HEARING

Notice of the Commissioner's intent to adopt the above-entitled rules was published in the State Register on September 12, 1988, and was sent by United States mail to all persons on the list maintained by the agency pursuant to Minnesota Statutes section 14.14, subdivision 1a and 14.22 on September 12, 1988. The statement of need and reasonableness was prepared before the notice of intent to adopt a rule without a public hearing was mailed to all persons on the rulemaking mailing list and published in the State Register and was available to the public.

All persons were given the opportunity to submit comment on the rule for 30 days after notice of proposed rulemaking. No requests for a public hearing on the rule were received by the the agency.

No submissions or comments on the rule were received by the agency. No requests for notice of submission to the attorney general were received by the agency.

Based on the comments and evidence in the record before the agency, I find the following:

1. Parts 5520.0400, subp. 2, 5520.0560, and 5520.0800 of the proposed rules as published on September 12, 1988 gave the Commissioner discretion to withdraw, terminate, suspend or reduce grants in the face of certain conditions without providing the standards upon which such discretion would be exercised. The rule as adopted removes the commissioner's discretion, and thus, makes the last sentences of parts 5520.0400, subd. 2, and 5520.0560 redundant and unnecessary. The rule as adopted also clarifies the fact that work plans under 5520.0400, subp. 2, may not be amended without advance approval from the Commissioner.

2. The adopted rule is not a substantial change from the rule as proposed because:

   a) The classes of persons who might be expected to comment on the proposed rule and who are affected by the rule is unchanged: Labor unions, employers, and area labor-management committees.

   b) The subject matter covered by the proposed and adopted rules is the same: Grants awarded under the Minnesota Area Labor-Management Committee Grant Program.

   c) The changes made in the rule as adopted merely clarify policies and remove ambiguity. The proposed rule was adequately noticed and invited comments as to its technical aspects. No person or class or persons affected by the rule is disadvantaged by the change in the adopted rule.

3. The above-captioned rules are needed and reasonable.

NOW, THEREFORE, IT IS ORDERED that the rules identified as Minnesota Rules: Parts 5520.0100 to 5520.0800 are adopted this 18th day of January, 1989, pursuant to authority vested in me by Minnesota Statutes section 179A.04, Subd. 3(f) (1984).

Name Paul W. Goldberg

Title Commissioner

BUREAU OF MEDIATION SERVICES

In the Matter of the Proposed Adoption of the Rule of the State Bureau of Mediation Services Relating to Minnesota Area Labor-Management Committee Grant Program	NOTICE OF INTENT TO ADOPT A RULE WITHOUT A PUBLIC HEARING

Notice is hereby given that the State Bureau of Mediation Services intends to adopt the above-entitled rule without a public hearing following the procedures set forth in the Administrative Procedure Act for adopting rules without a public hearing in Minnesota Statutes, sections 14.22 to 14.28. The statutory authority to adopt the rule is 179.82, Subdivision 2.

All persons have 30 days in which to submit comment in support of or in opposition to the proposed rule or any part or subpart of the rule. Comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rule within the 30-day comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their request in writing. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. If a public

hearing is required the agency will proceed pursuant to Minnesota Statutes, sections 14.131 to 14.20.

Comments or written requests for a public hearing must be submitted to:

Paul W. Goldberg, Commissioner
Bureau of Mediation Services
1380 Energy Lane, Suite Two
St. Paul, MN 55108
(612) 649-5421

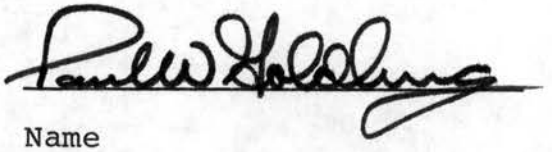
The proposed rule may be modified if the modifications are supported by data and views submitted to the agency and do not result in a substantial change in the proposed rule as noticed.

A copy of the proposed rule is attached to this notice.

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rule and identifies the data and information relied upon to support the proposed rule has been prepared and is available from Paul W. Goldberg, Commissioner, Bureau of Mediation Services, 1380 Energy Lane, Suite Two, Saint Paul, Minnesota, 55108.

If no hearing is required, upon adoption of the rule, the rule and the required supporting documents will be submitted to the Attorney General for review as to legality and form to the extent the form related to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the adopted rule, must submit the written request to Paul W. Goldberg,

Commissioner, Bureau of Mediation Services, 1380 Energy Lane, Suite Two, Saint Paul, Minnesota, 55108.



Dated: 29 August 1988

Name

Commissioner

Title

File No. 1558 _____ Docket 05.0009.0650

DATE RECEIVED 12/28/88 ADOPTED W/O HEARING Y

REVIEW DATE 1/6/89 EMERGENCY RULE _____

DUE DATE 1/13/89 REVISOR APPROVED _____

APPROVED _____ REVISOR DISAPPROVED _____

DISAPPROVED _____ FILED W/SEC. OF STATE _____

WITHDRAWN 1/11/89 JEA RETURNED TO AGENCY _____

✓ Rule as adopted (4 copies)

_____ ~~Notice to Solicit Outside Information/Opinion (if applicable)~~

_____ ~~Date published in State Register~~

_____ ~~Comments~~

_____ ~~Petition for Adoption of a Rule (if applicable)~~

_____ ~~Board's Authorizing Resolution~~

_____ ~~Date adopted~~

✓ Proposed Rule

Yes Revisor's Certificate

✓ Notice of Intent to Adopt Rule as published.

179.82 Statutory Authority
No Small Business Statement
No Expenditure of public money statement
No Signature

✓ Statement of Need and Reasonableness (if applicable)

No Small Business Statement
N/A Fees - § 16A.128

✓ Affidavit of Mailing Notice of Intent to Adopt Rule

9/12/88 Date 30/25 days before adoption
Yes Notice attached
Yes Copy of rule or summary attached

✓ Publication in State Register

9/12/88 Date 30/25 days before adoption

_____ 180-day deadline from:

10/12/88 end of comment period (§ 14.26) (rules without hearing)

_____ ~~effective date of statutory authority (§ 14.29) (emergency rules)~~

_____ ~~Resolution Adopting~~

_____ ~~Date adopted~~

✓ Findings of Fact, Conclusions & Order Adopting

12/28/88 Date

_____ ~~Written requests, submissions or comments~~

✓ Declaration of attorney

A. Kirchner Name of SAAG representing agency

_____ ~~Notice of Submission to Atty. Gen. (if applicable)~~

_____ ~~Aff. of Mailing Notice to Atty. Gen. (if applicable)~~

 AG Copy

Bureau of Mediation Services

Adopted Permanent Rules Relating to Minnesota Area Labor-Management Committee Grant Program

Rules as Adopted

5520.0100 APPLICATION.

Parts 5520.0100 to 5520.0800 apply to the preparation, submission, and approval of applications for grants under the Minnesota Area Labor-Management Committee Grant Program.

5520.0110 POLICY.

Parts 5520.0100 to 5520.0800 shall be liberally construed to accomplish the provisions and purposes of the Minnesota Area Labor-Management Committee Grant Program.

5520.0120 DEFINITIONS.

Subpart 1. **Scope.** For the purpose of parts 5520.0100 to 5520.0800, the terms defined in this part have the meanings given them.

Subp. 2. **Application.** "Application" means a written request for grant funds completed on a form developed by and available from the bureau.

Subp. 3. **Bureau.** "Bureau" means the Minnesota Bureau of Mediation Services.

Subp. 4. **Commissioner.** "Commissioner" means the commissioner of the bureau or an authorized agent.

Subp. 5. **Area Labor-Management Committee or committee.** "Area Labor-Management Committee" or "committee" means an organization of representatives from multiple labor organizations and multiple employer enterprises within a geographic area or statewide employment sector which has as its principle purpose the strengthening of union-management relations within the area or sector.

Subp. 6. **Grant program.** "Grant program" means the Minnesota Area Labor-Management Committee Grant Program, as

created in Minnesota Statutes, sections 179.81 to 179.85.

Subp. 7. **Office of Cooperative Labor-Management Programs.** "Office of Cooperative Labor-Management Programs" means the office within the bureau created to administer the grant program.

Subp. 8. **Technical assistance delivery area (TADA).** "Technical assistance delivery area (TADA)" means a geographical area or a statewide employment sector outside of the jurisdiction of an established Area Labor-Management Committee that has been designated by the commissioner to receive technical assistance from a grant recipient.

5520.0200 GRANT APPLICATIONS.

Subpart 1. **Scope.** The procedures in this part will be used by the commissioner in receiving and considering grant program applications.

Subp. 2. **Notice and deadline.** On or before September 1 of each calendar year, the commissioner shall publish a notice of the availability of funds under the grant program in the State Register. An application for a grant must be submitted to the bureau by October 15 of the previous year.

Subp. 3. **Application form and purpose.** Each application must be on forms available from the bureau and must include a statement of purpose and a description of the Area Labor-Management Committee requesting grant funds. All current committee members and officers must be identified in the application and a brief description of the committee's existing or proposed operating procedures must be included. A copy of the committee bylaws, if adopted, must also accompany the application.

Subp. 4. **Statement of goals.** The application must include a descriptive statement of the labor-management climate and major issues or problems existing in the committee's area of jurisdiction, as well as the major purpose or goal of the committee in the context of the problems. The goal statement must describe specific changes or outcomes the committee seeks to accomplish through use of grant program funds. Quantifiable,

specific goal and problem statements are encouraged. Applicants should avoid broad, generic, overly-generalized statements.

Subp. 5. **Methodology.** The application must include a description of the approach and methodology to be used by the committee in solving the problems and achieving the goals identified in subpart 4. The application must include an implementation plan setting forth specific and measurable goals and objectives to be accomplished during the grant period, the major action steps to be taken, a timetable indicating when those action steps will be taken, and when goals and objectives will be accomplished.

Subp. 6. **Financial plan.** The application must include a four-year financial plan detailing the revenues and expenditures anticipated over a four-year period, commencing with the year for which the grant is being requested. The plan must identify the total amount of state funding necessary to carry out the committee's goals and objectives and the money to be raised from other sources to meet the guidelines of the grant program. The plan must be accompanied by a proposed committee budget over the four-year period detailing how all money, including state grant money, is to be expended. Existing committees must also submit copies of actual financial statements for the four-year period preceding the proposed grant period.

5520.0250 GRANT RESTRICTIONS.

Subpart 1. **Labor negotiations, grievances, or disputes.** No committee funded, in whole or in part, through the grant program may engage in activities directly or indirectly related to labor negotiations, contract disputes, or grievance procedures. Violation of this subpart is grounds for termination of the grant.

Subp. 2. **Prior obligations.** No grant money may be used directly or indirectly to cover costs incurred before the effective date of the grant nor to cover costs that are not specifically related to the goals in the application. No finder's fee or other form of payment for successful application

shall be permitted in conjunction with the grant program.

Subp. 3. **TADA set-aside.** An amount equal to ten percent of the total amount of every grant shall be designated and may only be used to provide technical assistance to the technical assistance delivery area designated by the commissioner, pursuant to a technical assistance work plan approved by the commissioner.

Subp. 4. **Delegation or transfer.** A successful applicant may not, in whole or in part, delegate or transfer responsibility for the management of the grant or control and use of its funds to any other organization or entity.

5520.0300 GRANT PERIOD AND AMOUNT.

Subpart 1. **Grant period.** All grants are awarded for a 12-month period commencing January 1.

Subp. 2. **Amount.** The amount of each grant will be determined by the commissioner after considering the merits and reasonableness of each application, the total funds available in relationship to the total amounts requested, prior awards and experiences with individual applicants, the usual and customary costs of operating a committee, and the overall purposes and goals of the program.

Subp. 3. **Ratio of state and nonstate funds.** Regardless of the funds available, no grant will be awarded that would be inconsistent with the following ratio of state and nonstate revenues for the committee: (Year 1 is the first year state funds are received under this program, Year 2 is the second, etc.)

	% Nonstate Revenues	% State Revenues
YEAR 1	10	90
YEAR 2	20	80
YEAR 3 & Beyond	50	50

5520.0400 TECHNICAL ASSISTANCE DELIVERY AREA.

Subpart 1. **Designation.** Based upon an assessment of overall needs and potential, as well as the recommendations of grant applicants, the commissioner shall designate an external geographic area or statewide employment sector as a technical

assistance delivery area for each grant recipient.

Subp. 2. **Work plan.** In consultation with the Office of Cooperative Labor-Management Programs, each grant recipient shall prepare and submit a plan for using the TADA portion of its grant to foster the growth and development of an Area Labor-Management Committee within the area or sector designated by the commissioner in subpart 1. The plans are subject to the approval of the commissioner and ~~may~~ shall be amended with advance written consent of the commissioner. ~~Failure to submit or adhere to a TADA work plan may be grounds for termination of a grant~~ pursuant to 5520.0800 shall be grounds for suspension, withdrawal of grant at discretion

Subp. 3. **Reports.** Each grant recipient shall provide written quarterly reports to the commissioner concerning progress on its TADA work plan and expenditures of its TADA portion of the grant.

5520.0500 APPLICATION REVIEW PROCEDURES.

Subpart 1. **Competitive basis.** All timely and complete applications will be reviewed on a competitive basis. Grants will be awarded by the commissioner in amounts and to parties as deemed consistent with the overall purposes of the grant program. In evaluating applications and awarding grants, the factors described in this part will be considered.

Subp. 2. **Appropriateness.** The appropriateness of the proposal must be evaluated. Appropriateness includes:

A. consistency of the proposal's purpose with the public policy objectives of the grant program;

B. the extent and history of labor-management activity within the area to be served by the proposed grant;

C. other past or present cooperative labor-management activities within the designated area;

D. the need for public funding of the endeavor; and

E. the reasonableness of proposed expenditures in relationship to benefits to be derived.

Subp. 3. **Attainability of goals.** The attainability of the goals in the proposal must be evaluated. Attainability includes:

A. ability of the applicant to articulate quantifiable and meaningful goals and activities;

B. evaluation of the applicant's ability and capacity to implement program activities necessary to achieve stated goals;

C. prior success of the applicant in achieving previous program goals;

D. other labor-management activities in the area; and

E. the relationship of the proposed goals with the overall objectives of the grant program.

Subp. 4. **Support for the proposal.** Evidence of support for the proposal from multiple labor-management representatives within the area will be reviewed. The evidence may be submitted in the form of letters of endorsement, resolutions of support adopted by ad hoc groups, or other form that permits consultation and verification with individual representatives by the bureau. Established committees must attach a copy of the minutes of the meeting at which the proposal was approved and the minutes should reflect the names and organizations of all persons present for the meeting.

Subp. 5. **Financial plans.** The thoroughness of the four-year financial plan submitted as a part of the proposal, including an analysis of the overall reasonableness of revenue and expense projections; the detail and reasonableness of projected funding sources and amounts; and the detail and reasonableness of projected expenditures will be considered. Established committees must attach copies of actual financial operating statements that reflect annual revenue sources and amounts and expense categories and amounts for each year of the three-year period preceding the current year, as well as for the current year-to-date.

Subp. 6. **Work plans.** The thoroughness of detailed plans for achieving the major goals and objectives of the committee will be evaluated to determine the ability of the committee to identify key tasks and action steps necessary to the attainment of goals; the designation of appropriate time frames; relevance

of work plans to objectives of the grant program; and the extent of planning undertaken by the applicant with regard to its goals.

Subp. 7. **TADA plans.** Demonstrated understanding, capacity, and willingness to develop a meaningful technical assistant work plan for an external and independent technical assistance delivery area designated by the commissioner, including an expression of preferred technical assistance area and narrative discussion of potential work plan, will also be considered when evaluating an application.

5520.0520 WORK PLAN.

Each grant application must include a work plan that describes the major work steps to be undertaken by the committee during the grant period in achieving its individual goals and objectives. Work plans should describe each area of substantial program activity contemplated by the committee, the key steps necessary to achieving each program activity, and a time frame for determining progress in each activity area. Grantees are responsible for compliance with their work plans and for advising the Office of Cooperative Labor-Management Programs of any significant alterations in the goals, objectives, or work plans of the committee. Written quarterly reports, describing the progress and problems in adhering to the work plan, must accompany financial reports in conformance to the provisions of part 5520.0560.

5520.0540 BUDGET ADJUSTMENTS.

Grant recipients must consult, in writing, with the Office of Cooperative Labor-Management Programs before making budget adjustments that:

A. result in changes in the scope or objectives of the program in the approved application;

B. result in more grant money available than is necessary to meet the needs of the program;

C. result in a change in the percent of state funds available to the grantee that would be inconsistent with part 5520.0300, subpart 3, or Minnesota Statutes, section 179.85; or

D. amount to ten percent or more of the total grant awarded.

5520.0560 QUARTERLY REPORTS.

Each grant recipient must file detailed financial and activity reports on a quarterly basis in accordance with the following schedule:

A. Period covered: January 1 to March 31, date due: April 20;

B. Period covered: April 1 to June 30, date due: July 20;

C. Period covered: July 1 to September 30, date due: October 20; and

D. Period covered: October 1 to December 31, date due: January 20.

A failure to file timely reports will cause a suspension of the grant and may cause reductions in the amount of or termination of the grant.

5520.0600 ACCOUNTING SYSTEM.

Each grant recipient must establish and maintain a system of financial management of the grant that complies with accepted accounting practices. The system must provide accurate, current, and complete information on the financial status of each grant-supported activity and must include the generation of periodic reports indicating the allocation of funds by activity, the amount expended, and the amount obligated. Each dollar of Area Labor-Management Committee Grant Program money must be traceable through the accounting system.

All accounting documents must be supported by source documentation such as payroll records, invoices, and purchase vouchers. All employees paid in whole or in part from grant funds must prepare time sheets reflecting the number of hours worked on grant activities during the pay period and the payroll must be based on these time sheets. Any purchase of services agreement entered into by the committee must specify the amount and nature of services to be provided in a manner that

facilitates determination of an hourly or per-unit rate for those services.

5520.0620 AUDITS.

Subpart 1. **Financial and compliance audits.** All grant recipients must arrange for and undergo a financial and compliance audit at least once every two years. The audits must be performed by qualified individuals who are independent of those persons who authorize, manage, and carry out the expenditure of funds to ensure unbiased opinions, conclusions, or judgments. Grant recipients are responsible for arranging and paying for these audits. The purpose of the audit is to report on whether:

A. the financial operations have been conducted properly;

B. financial and other reports submitted as a part of the program have been presented fairly and accurately;

C. the grantee has complied with applicable laws, regulations, and policies;

D. resources are used and managed in an economic and efficient manner; and

E. program objectives and results are being effectively and economically achieved.

Normal accepted auditing methods and standards must be applied in the performance of this audit. Should an auditor become aware of irregularities in financial or programmatic performance, the auditor must promptly notify the commissioner of those irregularities and, if appropriate, higher grantee management officials than the level at which irregularities appear to lie.

Subp. 2. **Audit reports.** A written audit report shall be prepared and include:

A. a statement of the standards used in the performance of the audit;

B. financial statements and audit comments on the statements for the period;

C. audit comments regarding compliance and internal control; and

D. comments regarding the accuracy and completeness of financial and program reports filed by the grantee.

Three copies of the written audit report must be provided to the commissioner and a copy shall be made available to each member of the committee.

5520.0700 INITIAL PAYMENTS.

No grant payments will be issued until the grant application and required work plans have received final approval by the commissioner and a written grant contract has been executed and approved.

5520.0710 SUBSEQUENT PAYMENTS.

Subsequent grant payments will be made on a quarterly basis based on submission of a payment request form and other required reports. When computing requests for payment, the recipient should first apply any unused portions of a previous grant payment toward the next month's anticipated expenditures.

5520.0800 TERMINATION OF GRANTS.

Subpart 1. **General.** Grants may be suspended, terminated, or withdrawn, in whole or in part, by the commissioner if funds provided are used in a manner inconsistent with the policies of parts 5520.0100 to 5520.0800, or if it appears that funds are being used in a manner inconsistent with the stated goals and purpose of the grant application or approved amendments. Grants may also be withdrawn if it appears that the applicant is unable or unwilling to fulfill responsibilities set forth in the application.

Subp. 2. **Notice.** In the event the commissioner believes that there is reason to suspend, terminate, or withdraw a grant, the commissioner shall provide written notice to the grant recipient stating the nature of the contemplated action, the anticipated effective date, and the reasons for the action. The grant recipient may submit a written response to the notice

within five working days of receipt of the notice from the commissioner. After investigating the situation, including any information provided by the committee in response to the commissioner's notice, the commissioner shall determine final action with regard to suspension, termination, or withdrawal of the grant. The commissioner shall provide written notice of the final determination to all interested parties.

Bureau of Mediation Services

Proposed Permanent Rules Relating to Minnesota Area Labor-Management Committee Grant Program

Rules as Proposed (all new material)

5520.0100 APPLICATION.

Parts 5520.0100 to 5520.0800 apply to the preparation, submission, and approval of applications for grants under the Minnesota Area Labor-Management Committee Grant Program.

5520.0110 POLICY.

Parts 5520.0100 to 5520.0800 shall be liberally construed to accomplish the provisions and purposes of the Minnesota Area Labor-Management Committee Grant Program.

5520.0120 DEFINITIONS.

Subpart 1. **Scope.** For the purpose of parts 5520.0100 to 5520.0800, the terms defined in this part have the meanings given them.

Subp. 2. **Application.** "Application" means a written request for grant funds completed on a form developed by and available from the bureau.

Subp. 3. **Bureau.** "Bureau" means the Minnesota Bureau of Mediation Services.

Subp. 4. **Commissioner.** "Commissioner" means the commissioner of the bureau or an authorized agent.

Subp. 5. **Area Labor-Management Committee or committee.** "Area Labor-Management Committee" or "committee" means an organization of representatives from multiple labor organizations and multiple employer enterprises within a geographic area or statewide employment sector which has as its principle purpose the strengthening of union-management relations within the area or sector.

Subp. 6. **Grant program.** "Grant program" means the Minnesota Area Labor-Management Committee Grant Program, as

Approved by Revisor 

created in Minnesota Statutes, sections 179.81 to 179.85.

Subp. 7. **Office of Cooperative Labor-Management Programs.** "Office of Cooperative Labor-Management Programs" means the office within the bureau created to administer the grant program.

Subp. 8. **Technical assistance delivery area (TADA).** "Technical assistance delivery area (TADA)" means a geographical area or a statewide employment sector outside of the jurisdiction of an established Area Labor-Management Committee that has been designated by the commissioner to receive technical assistance from a grant recipient.

5520.0200 GRANT APPLICATIONS.

Subpart 1. **Scope.** The procedures in this part will be used by the commissioner in receiving and considering grant program applications.

Subp. 2. **Notice and deadline.** On or before September 1 of each calendar year, the commissioner shall publish a notice of the availability of funds under the grant program in the State Register. An application for a grant must be submitted to the bureau by October 15 of the previous year.

Subp. 3. **Application form and purpose.** Each application must be on forms available from the bureau and must include a statement of purpose and a description of the Area Labor-Management Committee requesting grant funds. All current committee members and officers must be identified in the application and a brief description of the committee's existing or proposed operating procedures must be included. A copy of the committee bylaws, if adopted, must also accompany the application.

Subp. 4. **Statement of goals.** The application must include a descriptive statement of the labor-management climate and major issues or problems existing in the committee's area of jurisdiction, as well as the major purpose or goal of the committee in the context of the problems. The goal statement must describe specific changes or outcomes the committee seeks to accomplish through use of grant program funds. Quantifiable,

Approved
by Revisor _____

specific goal and problem statements are encouraged. Applicants should avoid broad, generic, overly-generalized statements.

Subp. 5. **Methodology.** The application must include a description of the approach and methodology to be used by the committee in solving the problems and achieving the goals identified in subpart 4. The application must include an implementation plan setting forth specific and measurable goals and objectives to be accomplished during the grant period, the major action steps to be taken, a timetable indicating when those action steps will be taken, and when goals and objectives will be accomplished.

Subp. 6. **Financial plan.** The application must include a four-year financial plan detailing the revenues and expenditures anticipated over a four-year period, commencing with the year for which the grant is being requested. The plan must identify the total amount of state funding necessary to carry out the committee's goals and objectives and the money to be raised from other sources to meet the guidelines of the grant program. The plan must be accompanied by a proposed committee budget over the four-year period detailing how all money, including state grant money, is to be expended. Existing committees must also submit copies of actual financial statements for the four-year period preceding the proposed grant period.

5520.0250 GRANT RESTRICTIONS.

Subpart 1. **Labor negotiations, grievances, or disputes.** No committee funded, in whole or in part, through the grant program may engage in activities directly or indirectly related to labor negotiations, contract disputes, or grievance procedures. Violation of this subpart is grounds for termination of the grant.

Subp. 2. **Prior obligations.** No grant money may be used directly or indirectly to cover costs incurred before the effective date of the grant nor to cover costs that are not specifically related to the goals in the application. No finder's fee or other form of payment for successful application

Approved
by Revisor _____

shall be permitted in conjunction with the grant program.

Subp. 3. **TADA set-aside.** An amount equal to ten percent of the total amount of every grant shall be designated and may only be used to provide technical assistance to the technical assistance delivery area designated by the commissioner, pursuant to a technical assistance work plan approved by the commissioner.

Subp. 4. **Delegation or transfer.** A successful applicant may not, in whole or in part, delegate or transfer responsibility for the management of the grant or control and use of its funds to any other organization or entity.

5520.0300 GRANT PERIOD AND AMOUNT.

Subpart 1. **Grant period.** All grants are awarded for a 12-month period commencing January 1.

Subp. 2. **Amount.** The amount of each grant will be determined by the commissioner after considering the merits and reasonableness of each application, the total funds available in relationship to the total amounts requested, prior awards and experiences with individual applicants, the usual and customary costs of operating a committee, and the overall purposes and goals of the program.

Subp. 3. **Ratio of state and nonstate funds.** Regardless of the funds available, no grant will be awarded that would be inconsistent with the following ratio of state and nonstate revenues for the committee: (Year 1 is the first year state funds are received under this program, Year 2 is the second, etc.)

	% Nonstate Revenues	% State Revenues
YEAR 1	10	90
YEAR 2	20	80
YEAR 3 & Beyond	50	50

5520.0400 TECHNICAL ASSISTANCE DELIVERY AREA.

Subpart 1. **Designation.** Based upon an assessment of overall needs and potential, as well as the recommendations of grant applicants, the commissioner shall designate an external geographic area or statewide employment sector as a technical

Approved by Revisor _____

assistance delivery area for each grant recipient.

Subp. 2. **Work plan.** In consultation with the Office of Cooperative Labor-Management Programs, each grant recipient shall prepare and submit a plan for using the TADA portion of its grant to foster the growth and development of an Area Labor-Management Committee within the area or sector designated by the commissioner in subpart 1. The plans are subject to the approval of the commissioner and may be amended with advance written consent of the commissioner. Failure to submit or adhere to a TADA work plan may be grounds for termination of a grant.

Subp. 3. **Reports.** Each grant recipient shall provide written quarterly reports to the commissioner concerning progress on its TADA work plan and expenditures of its TADA portion of the grant.

5520.0500 APPLICATION REVIEW PROCEDURES.

Subpart 1. **Competitive basis.** All timely and complete applications will be reviewed on a competitive basis. Grants will be awarded by the commissioner in amounts and to parties as deemed consistent with the overall purposes of the grant program. In evaluating applications and awarding grants, the factors described in this part will be considered.

Subp. 2. **Appropriateness.** The appropriateness of the proposal must be evaluated. Appropriateness includes:

A. consistency of the proposal's purpose with the public policy objectives of the grant program;

B. the extent and history of labor-management activity within the area to be served by the proposed grant;

C. other past or present cooperative labor-management activities within the designated area;

D. the need for public funding of the endeavor; and

E. the reasonableness of proposed expenditures in relationship to benefits to be derived.

Subp. 3. **Attainability of goals.** The attainability of the goals in the proposal must be evaluated. Attainability includes:

Approved
by Revisor _____

A. ability of the applicant to articulate quantifiable and meaningful goals and activities;

B. evaluation of the applicant's ability and capacity to implement program activities necessary to achieve stated goals;

C. prior success of the applicant in achieving previous program goals;

D. other labor-management activities in the area; and

E. the relationship of the proposed goals with the overall objectives of the grant program.

Subp. 4. **Support for the proposal.** Evidence of support for the proposal from multiple labor-management representatives within the area will be reviewed. The evidence may be submitted in the form of letters of endorsement, resolutions of support adopted by ad hoc groups, or other form that permits consultation and verification with individual representatives by the bureau. Established committees must attach a copy of the minutes of the meeting at which the proposal was approved and the minutes should reflect the names and organizations of all persons present for the meeting.

Subp. 5. **Financial plans.** The thoroughness of the four-year financial plan submitted as a part of the proposal, including an analysis of the overall reasonableness of revenue and expense projections; the detail and reasonableness of projected funding sources and amounts; and the detail and reasonableness of projected expenditures will be considered. Established committees must attach copies of actual financial operating statements that reflect annual revenue sources and amounts and expense categories and amounts for each year of the three-year period preceding the current year, as well as for the current year-to-date.

Subp. 6. **Work plans.** The thoroughness of detailed plans for achieving the major goals and objectives of the committee will be evaluated to determine the ability of the committee to identify key tasks and action steps necessary to the attainment of goals; the designation of appropriate time frames; relevance

Approved
by Revisor _____

of work plans to objectives of the grant program; and the extent of planning undertaken by the applicant with regard to its goals.

Subp. 7. **TADA plans.** Demonstrated understanding, capacity, and willingness to develop a meaningful technical assistant work plan for an external and independent technical assistance delivery area designated by the commissioner, including an expression of preferred technical assistance area and narrative discussion of potential work plan, will also be considered when evaluating an application.

5520.0520 WORK PLAN.

Each grant application must include a work plan that describes the major work steps to be undertaken by the committee during the grant period in achieving its individual goals and objectives. Work plans should describe each area of substantial program activity contemplated by the committee, the key steps necessary to achieving each program activity, and a time frame for determining progress in each activity area. Grantees are responsible for compliance with their work plans and for advising the Office of Cooperative Labor-Management Programs of any significant alterations in the goals, objectives, or work plans of the committee. Written quarterly reports, describing the progress and problems in adhering to the work plan, must accompany financial reports in conformance to the provisions of part 5520.0560.

5520.0540 BUDGET ADJUSTMENTS.

Grant recipients must consult, in writing, with the Office of Cooperative Labor-Management Programs before making budget adjustments that:

A. result in changes in the scope or objectives of the program in the approved application;

B. result in more grant money available than is necessary to meet the needs of the program;

C. result in a change in the percent of state funds available to the grantee that would be inconsistent with part 5520.0300, subpart 3, or Minnesota Statutes, section 179.85; or

Approved
by Revisor _____

D. amount to ten percent or more of the total grant awarded.

5520.0560 QUARTERLY REPORTS.

Each grant recipient must file detailed financial and activity reports on a quarterly basis in accordance with the following schedule:

A. Period covered: January 1 to March 31, date due: April 20;

B. Period covered: April 1 to June 30, date due: July 20;

C. Period covered: July 1 to September 30, date due: October 20; and

D. Period covered: October 1 to December 31, date due: January 20.

A failure to file timely reports will cause a suspension of the grant and may cause reductions in the amount of or termination of the grant.

5520.0600 ACCOUNTING SYSTEM.

Each grant recipient must establish and maintain a system of financial management of the grant that complies with accepted accounting practices. The system must provide accurate, current, and complete information on the financial status of each grant-supported activity and must include the generation of periodic reports indicating the allocation of funds by activity, the amount expended, and the amount obligated. Each dollar of Area Labor-Management Committee Grant Program money must be traceable through the accounting system.

All accounting documents must be supported by source documentation such as payroll records, invoices, and purchase vouchers. All employees paid in whole or in part from grant funds must prepare time sheets reflecting the number of hours worked on grant activities during the pay period and the payroll must be based on these time sheets. Any purchase of services agreement entered into by the committee must specify the amount and nature of services to be provided in a manner that

Approved
by Revisor _____

facilitates determination of an hourly or per-unit rate for those services.

5520.0620 AUDITS.

Subpart 1. **Financial and compliance audits.** All grant recipients must arrange for and undergo a financial and compliance audit at least once every two years. The audits must be performed by qualified individuals who are independent of those persons who authorize, manage, and carry out the expenditure of funds to ensure unbiased opinions, conclusions, or judgments. Grant recipients are responsible for arranging and paying for these audits. The purpose of the audit is to report on whether:

A. the financial operations have been conducted properly;

B. financial and other reports submitted as a part of the program have been presented fairly and accurately;

C. the grantee has complied with applicable laws, regulations, and policies;

D. resources are used and managed in an economic and efficient manner; and

E. program objectives and results are being effectively and economically achieved.

Normal accepted auditing methods and standards must be applied in the performance of this audit. Should an auditor become aware of irregularities in financial or programmatic performance, the auditor must promptly notify the commissioner of those irregularities and, if appropriate, higher grantee management officials than the level at which irregularities appear to lie.

Subp. 2. **Audit reports.** A written audit report shall be prepared and include:

A. a statement of the standards used in the performance of the audit;

B. financial statements and audit comments on the statements for the period;

Approved by Revisor _____

C. audit comments regarding compliance and internal control; and

D. comments regarding the accuracy and completeness of financial and program reports filed by the grantee.

Three copies of the written audit report must be provided to the commissioner and a copy shall be made available to each member of the committee.

5520.0700 INITIAL PAYMENTS.

No grant payments will be issued until the grant application and required work plans have received final approval by the commissioner and a written grant contract has been executed and approved.

5520.0710 SUBSEQUENT PAYMENTS.

Subsequent grant payments will be made on a quarterly basis based on submission of a payment request form and other required reports. When computing requests for payment, the recipient should first apply any unused portions of a previous grant payment toward the next month's anticipated expenditures.

5520.0800 TERMINATION OF GRANTS.

Subpart 1. **General.** Grants may be suspended, terminated, or withdrawn, in whole or in part, by the commissioner if funds provided are used in a manner inconsistent with the policies of parts 5520.0100 to 5520.0800, or if it appears that funds are being used in a manner inconsistent with the stated goals and purpose of the grant application or approved amendments. Grants may also be withdrawn if it appears that the applicant is unable or unwilling to fulfill responsibilities set forth in the application.

Subp. 2. **Notice.** In the event the commissioner believes that there is reason to suspend, terminate, or withdraw a grant, the commissioner shall provide written notice to the grant recipient stating the nature of the contemplated action, the anticipated effective date, and the reasons for the action. The grant recipient may submit a written response to the notice

Approved
by Revisor _____

within five working days of receipt of the notice from the commissioner. After investigating the situation, including any information provided by the committee in response to the commissioner's notice, the commissioner shall determine final action with regard to suspension, termination, or withdrawal of the grant. The commissioner shall provide written notice of the final determination to all interested parties.

Approved
by Revisor _____

Office of the Revisor of Statutes

Administrative Rules

TITLE: Proposed Permanent Rules Relating to Minnesota Area Labor-Management Committee Grant Program

AGENCY: Bureau of Mediation Services

MINNESOTA RULES: Chapter 5520

The attached rules are approved for publication in the State Register

John C. Fuller
Assistant Deputy Revisor

NEED AND REASONABLENESS STATEMENT

Minnesota Rules Parts 5520.0100 - 5520.0800

General These parts are necessary to the proper administration and utilization of grant funds available under the Minnesota Area Labor-Management Committee Grant Program. They are consistent with the intent, purpose, and legislative history of the enabling legislation (Minn. Stat. 179.81-179.85) and provide reasonable procedural requirements in the administration of funds provided under the Grant Program.

5520.0100 This part defines the program to which these rules apply.

5520.0110 This part provides for a liberal rather than rigid construction of the rules in recognition of the goals of the Grant Program and the fact that most persons applying for such grants will have minimal familiarity with these rules and state procedures.

5520.0120 This part provides definitions of words or phrases used within the rules in a unique or specialized manner. All other words or phrases are understood to convey their liberal, common meaning and intent.

5520.0200 This part sets forth the procedural and content requirements for making application for a grant under the Grant Program.

Subp. 2. Provides for annual public notice of the fact that grant applications will be accepted and a cutoff of such applications following a reasonable period of time.

Subp. 3. Indicates that grant application forms are available from the Bureau while requiring that applicants provide sufficient information of the nature and membership of the applicant organization so as to permit a preliminary evaluation of the applicant's likelihood to be eligible to receive grant funds.

Subp. 4. Requires applicants to understand and articulate major labor relations issues or problems, as well as the goals of the applicant with respect to those issues or problems. Specific and quantifiable statements are encouraged to minimize highly generalized rhetoric of the "apple pie" variety and to increase the ability to measure progress and compliance with the grant program goals.

Subp. 5. Requires applicants to provide evidence that they have considered appropriate methods for achieving goals set forth in their application and to develop a timetable for measuring and assessing progress toward the stated goals.

Subp. 6. Requires applicants to recognize the long-term nature of programs encouraged by the Grant Program and to give adequate consideration to financial planning over that period, including consideration as to the source of program revenue and the ratio restrictions on state/non-state funds established by the grant legislation. Existing committees are required to provide copies of prior financial reports to determine shifts in planning, programming or revenue utilization which may be prompted by the availability of grant funds.

5520.0250

Subp. 1. Restricts the use of grant funds in a manner consistent with the enabling legislation (Minn. Stat. § 179.81-179.85) and with proper emphasis to avoid unintentional violation of this restriction by a recipient.

Subp. 2. Limits the use of grant funds to prospective activities which have been reviewed and approved in the context of the Grant Program while avoiding the payment of "commissions" out of grant proceeds.

Subp. 3. Restricts the use of 10% of each grant to external development assistance, consistent with Minn. Stat. § 179.85.

Subp. 4. Requires a successful grantee to retain control over and responsibility for the use of grant funds to ensure that funds are used in a manner consistent with work plan and that lines of accountability remain clear.

5520.0300

Subp. 1. Specifies that, although funds are appropriated on a fiscal year basis, grants are awarded on a calendar year basis, a manner required by the statutory grant application time frames.

Subp. 2. Since the amount of funds available for grants in each fiscal year varies with legislative appropriation and evaluation of applications is necessary to maximize the effective utilization of grant funds, this provision establishes reasonable criteria for awarding grant funds.

Subp. 3. Consistent with the enabling legislation, this subpart restricts the percent of state fund revenues during any grant year, on a declining match basis.

5520.0400 The enabling legislation and legislative history of the Grant Program requires a certain portion of each grant be used by the recipient in the development of additional committees. The purpose of such requirement was to promote the growth of the Area LMC concept throughout the state, while minimizing the hegemony occurring from one LMC seeking to serve an ever-expanding base. These parts are directed at this built in expansion/developmental effort.

Subp. 1. Allows the commissioner to designate an appropriate target for developmental effort, after considering relevant factors, to minimize hegemony and ensure cost effective targeting of such efforts.

Subp. 2. Requires each grantee to accept this external marketing and developmental assistance requirement in a serious manner by developing a specific and required work plan for review and approval by the commissioner and conditioning continuation of the grant upon submission and adherence to such plan.

Subp. 3. Provides a reasonable reporting requirement upon the Grantee to assure compliance with this aspect of the grant work plans.

5520.0500

Subp. 1. This part establishes general criteria and objectives for the competitive awarding of grants under the program, requiring the commissioner to be consistent with the overall purposes of the Grant Program when making decisions regarding a grant award.

Subp. 2. Applications are to be reviewed as to their appropriateness in the context of public policy and the grant program. The extent and history of labor-management activity within the grant area, including current or prior efforts at cooperative programs, provide a measure for appropriateness, as do an assessment of the need for public funding of the proposal and a preliminary cost-benefit assessment.

Subp. 3. The ability of an applicant to articulate program goals which are attainable within the context and timeframes of the grant proposal, as measured by work plans, prior efforts, and current level of activity, is a litmus test for the effective use of grant funds in a manner consistent with the purposes of the Grant Program.

Subp. 4. If an applicant lacks the formal and informal support of key labor and management organizations within the targeted area, chances of successful use of grant funds in a manner consistent with the program's goals are almost nil. Such support must be solid enough to permit memorialization and verification to avoid use of grant funds in an ineffective manner.

Subp. 5. The long-term nature of the purposes of the grant program, coupled with the limited financial resources likely to be available for these purposes from public or private resources, requires prudent fiscal management and planning. The rule, therefore, requires long-term fiscal planning, consideration of revenue sources and restrictions, and an analysis of the reasonableness of proposed expenditures within the context of the grant program.

Subp. 6. Because good intentions or random activity are not sufficient to produce lasting, strategic improvement in the character and fiber of labor-management relations over a given industry or geographic region, a thorough and detailed work plan is considered necessary to successful grant performance. Performance is a derivative of planning, especially in this context of changes in institutional and organizational behaviors, and a detailed specific work plan is crucial to a successful grant.

Subp. 7. Acceptance, understanding, and capacity are key objectives to the unique external assistance requirements of this grant program. An application which suggests the grantee is unwilling or unable to comply with this aspect of the grant program can be flagged for additional evaluation and review.

5520.0520 This part re-emphasizes the necessity for written, detailed work plans which will, if fulfilled, lead a committee toward its stated objectives. Full performance of the work plan is the public's return for the grant dollars invested in the committee. Thus, reports and compliance with the plan are conditions of the grant.

5520.0540 While recognizing that operational realities may require adjustments to budget plans and forecasts, the rules seek to maximize compliance with grant purposes by requiring grantees to report significant budget elements or changes.

5520.0560 Although public accountability and program administration require written financial and activity reports from grantees, a quarterly reporting system is established to minimize paperwork.

5520.0600 Grantees are expected to ensure that funds are used and accounted for in accordance with standard accounting practices, which includes adequate control and documentation for all expenditures.

5520.0620 Written independent financial and compliance audits are required from grantees once every two years to insure adequate control and accountability of public funds.

5520.0700 This part restricts issuance of grant proceeds until all necessary paperwork has been completed to ensure that an approved work plan and grant contract are in place prior to release of the state funds.

5520.0710 This part provides for quarterly issuance of grant proceeds, based upon the Grantee's plans and projected expenditures for the period in question, to conserve cash flow and avoid overpayments in the event of changes in work plan.

5520.0800

Subp. 1. Provides for the suspension, termination or withdrawal of grants where the purposes of the program are not being fulfilled or the funds are being used improperly.

Subp. 2. Because the decision to suspend, terminate, or withdraw a grant has obvious impact upon the Committee and its constituency, written notice of such action is required by this part, with an opportunity for response and investigation prior to a final determination by the commissioner.

In the Matter of the Proposed Adoption of Rules of the State Bureau of Mediation Services Relating to the Minnesota Area Labor-Management Committee Grant Program

AFFIDAVIT OF MAILING THE NOTICE OF INTENT TO ADOPT A RULE WITHOUT A PUBLIC HEARING AND CERTIFICATE OF MAILING LIST

STATE OF MINNESOTA)
)ss.
COUNTY OF RAMSEY)

Carol S. Cox being sworn, says:

I hereby certify that the list of persons and associations who have requested, pursuant to Minnesota Statutes, sections 14.14, subdivision 1a and 14.22 or 14.30, that their names be placed on the State Bureau of Mediation Services rulemaking mailing list is accurate, complete, and current as of this 12th day of September, 1988.

That on the 12th day of September, 1988, at the City of St. Paul, County of Ramsey, State of Minnesota, I mailed the attached Notice of Intent to Adopt A Rule Without a Public Hearing by depositing in the State of Minnesota Central Mail System for United States mailing, a copy thereof, with postage prepaid, to all persons and associations on the aforementioned mailing list.

Carol S. Cox
Name

Administrative Secretary
Title

Subscribed and sworn to before me this 12th day of September 1988.

Kenneth L. Boxell

KENNETH L. BOXELL
NOTARY PUBLIC — MINNESOTA
RAMSEY COUNTY
My commission expires April 19, 1991

Proposed Rules

Pursuant to Minn. Stat. of 1982, §§ 14.22, an agency may propose to adopt, amend, suspend or repeal rules without first holding a public hearing, as long as the agency determines that the rules will be noncontroversial in nature. The agency must first publish a notice of intent to adopt rules without a public hearing, together with the proposed rules, in the *State Register*. The notice must advise the public:

1. that they have 30 days in which to submit comment on the proposed rules;
2. that no public hearing will be held unless 25 or more persons make a written request for a hearing within the 30-day comment period;
3. of the manner in which persons shall request a hearing on the proposed rules; and
4. that the rule may be modified if the modifications are supported by the data and views submitted.

If, during the 30-day comment period, 25 or more persons submit to the agency a written request for a hearing of the proposed rules, the agency must proceed under the provisions of §§ 14.14-14.20, which state that if an agency decides to hold a public hearing, it must publish a notice of intent in the *State Register*.

Pursuant to Minn. Stat. §§ 14.29 and 14.30, agencies may propose emergency rules under certain circumstances. Proposed emergency rules are published in the *State Register* and, for at least 25 days thereafter, interested persons may submit data and views in writing to the proposing agency.

Bureau of Mediation Services

Proposed Permanent Rules Relating to Minnesota Area Labor-Management Committee Grant Program

Notice of Intent to Adopt a Rule Without a Public Hearing

NOTICE IS HEREBY GIVEN that the State Bureau of Mediation Services intends to adopt the above-entitled rule without a public hearing following the procedures set forth in the Administrative Procedure Act for adopting rules without a public hearing in *Minnesota Statutes*, sections 14.22 to 14.28. The statutory authority to adopt the rule is 179.82, Subdivision 2.

All persons have 30 days in which to submit comment in support of or in opposition to the proposed rule or any part or subpart of the rule. Comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rule within the 30-day comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their request in writing. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. If a public hearing is required the agency will proceed pursuant to *Minnesota Statutes*, sections 14.131 to 14.20.

Comments or written requests for a public hearing must be submitted to:

Paul W. Goldberg, Commissioner
Bureau of Mediation Services
1380 Energy Lane, Suite Two
St. Paul, MN 55108
(612) 649-5421

The proposed rule may be modified if the modifications are supported by data and views submitted to the agency and do not result in a substantial change in the proposed rule as noticed.

A copy of the proposed rule is attached to this notice.

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rule and identifies the data and information relied upon to support the proposed rule has been prepared and is available from Paul W. Goldberg, Commissioner, Bureau of Mediation Services, 1380 Energy Lane, Suite Two, St. Paul, Minnesota, 55108.

If no hearing is required, upon adoption of the rule, the rule and the required supporting documents will be submitted to the Attorney General for review as to legality and form to the extent the form related to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the adopted rule, must submit the written request to Paul W. Goldberg, Commissioner, Bureau of Mediation Services, 1380 Energy Lane, Suite Two, Saint Paul, Minnesota, 55108.

Dated: 29 August 1988

Paul W. Goldberg
Commissioner

Rules as Proposed (all new material)

5520.0100 APPLICATION.

Parts 5520.0100 to 5520.0800 apply to the preparation, submission, and approval of applications for grants under the Minnesota Area Labor-Management Committee Grant Program.

5520.0110 POLICY.

Parts 5520.0100 to 5520.0800 shall be liberally construed to accomplish the provisions and purposes of the Minnesota Area Labor-Management Committee Grant Program.

5520.0120 DEFINITIONS.

Subpart 1. **Scope.** For the purpose of parts 5520.0100 to 5520.0800, the terms defined in this part have the meanings given them.

Subp. 2. **Application.** "Application" means a written request for grant funds completed on a form developed by and available from the bureau.

Subp. 3. **Bureau.** "Bureau" means the Minnesota Bureau of Mediation Services.

Subp. 4. **Commissioner.** "Commissioner" means the commissioner of the bureau or an authorized agent.

Subp. 5. **Area Labor-Management Committee or committee.** "Area Labor-Management Committee" or "committee" means an organization of representatives from multiple labor organizations and multiple employer enterprises within a geographic area or statewide employment sector which has as its principle purpose the strengthening of union-management relations within the area or sector.

Subp. 6. **Grant program.** "Grant program" means the Minnesota Area Labor-Management Committee Grant Program, as created in Minnesota Statutes, sections 179.81 to 179.85.

Subp. 7. **Office of Cooperative Labor-Management Programs.** "Office of Cooperative Labor-Management Programs" means the office within the bureau created to administer the grant program.

Subp. 8. **Technical assistance delivery area (TADA).** "Technical assistance delivery area (TADA)" means a geographical area or a statewide employment sector outside of the jurisdiction of an established Area Labor-Management Committee that has been designated by the commissioner to receive technical assistance from a grant recipient.

5520.0200 GRANT APPLICATIONS.

Subpart 1. **Scope.** The procedures in this part will be used by the commissioner in receiving and considering grant program applications.

Subp. 2. **Notice and deadline.** On or before September 1 of each calendar year, the commissioner shall publish a notice of the availability of funds under the grant program in the State Register. An application for a grant must be submitted to the bureau by October 15 of the previous year.

Subp. 3. **Application form and purpose.** Each application must be on forms available from the bureau and must include a statement of purpose and a description of the Area Labor-Management Committee requesting grant funds. All current committee members and officers must be identified in the application and a brief description of the committee's existing or proposed operating procedures must be included. A copy of the committee bylaws, if adopted, must also accompany the application.

Subp. 4. **Statement of goals.** The application must include a descriptive statement of the labor-management climate and major issues or problems existing in the committee's area of jurisdiction, as well as the major purpose or goal of the committee in the context of the problems. The goal statement must describe specific changes or outcomes the committee seeks to accomplish through use of grant program funds. Quantifiable, specific goal and problem statements are encouraged. Applicants should avoid broad, generic, overly-generalized statements.

Subp. 5. **Methodology.** The application must include a description of the approach and methodology to be used by the committee in solving the problems and achieving the goals identified in subpart 4. The application must include an implementation plan setting forth specific and measurable goals and objectives to be accomplished during the grant period, the major action steps to be taken, a timetable indicating when those action steps will be taken, and when goals and objectives will be accomplished.

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

Subp. 6. **Financial plan.** The application must include a four-year financial plan detailing the revenues and expenditures anticipated over a four-year period, commencing with the year for which the grant is being requested. The plan must identify the total amount of state funding necessary to carry out the committee's goals and objectives and the money to be raised from other sources to meet the guidelines of the grant program. The plan must be accompanied by a proposed committee budget over the four-year period detailing how all money, including state grant money, is to be expended. Existing committees must also submit copies of actual financial statements for the four-year period preceding the proposed grant period.

5520.0250 GRANT RESTRICTIONS.

Subpart 1. **Labor negotiations, grievances, or disputes.** No committee funded, in whole or in part, through the grant program may engage in activities directly or indirectly related to labor negotiations, contract disputes, or grievance procedures. Violation of this subpart is grounds for termination of the grant.

Subp. 2. **Prior obligations.** No grant money may be used directly or indirectly to cover costs incurred before the effective date of the grant nor to cover costs that are not specifically related to the goals in the application. No finder's fee or other form of payment for successful application shall be permitted in conjunction with the grant program.

Subp. 3. **TADA set-aside.** An amount equal to ten percent of the total amount of every grant shall be designated and may only be used to provide technical assistance to the technical assistance delivery area designated by the commissioner, pursuant to a technical assistance work plan approved by the commissioner.

Subp. 4. **Delegation or transfer.** A successful applicant may not, in whole or in part, delegate or transfer responsibility for the management of the grant or control and use of its funds to any other organization or entity.

5520.0300 GRANT PERIOD AND AMOUNT.

Subpart 1. **Grant period.** All grants are awarded for a 12-month period commencing January 1.

Subp. 2. **Amount.** The amount of each grant will be determined by the commissioner after considering the merits and reasonableness of each application, the total funds available in relationship to the total amounts requested, prior awards and experiences with individual applicants, the usual and customary costs of operating a committee, and the overall purposes and goals of the program.

Subp. 3. **Ratio of state and nonstate funds.** Regardless of the funds available, no grant will be awarded that would be inconsistent with the following ratio of state and nonstate revenues for the committee: (Year 1 is the first year state funds are received under this program, Year 2 is the second, etc.)

	% Nonstate Revenues	% State Revenues
YEAR 1	10	90
YEAR 2	20	80
YEAR 3 & Beyond	50	50

5520.0400 TECHNICAL ASSISTANCE DELIVERY AREA.

Subpart 1. **Designation.** Based upon an assessment of overall needs and potential, as well as the recommendations of grant applicants, the commissioner shall designate an external geographic area or statewide employment sector as a technical assistance delivery area for each grant recipient.

Subp. 2. **Work plan.** In consultation with the Office of Cooperative Labor-Management Programs, each grant recipient shall prepare and submit a plan for using the TADA portion of its grant to foster the growth and development of an Area Labor-Management Committee within the area or sector designated by the commissioner in subpart 1. The plans are subject to the approval of the commissioner and may be amended with advance written consent of the commissioner. Failure to submit or adhere to a TADA work plan may be grounds for termination of a grant.

Subp. 3. **Reports.** Each grant recipient shall provide written quarterly reports to the commissioner concerning progress on its TADA work plan and expenditures of its TADA portion of the grant.

5520.0500 APPLICATION REVIEW PROCEDURES.

Subpart 1. **Competitive basis.** All timely and complete applications will be reviewed on a competitive basis. Grants will be awarded by the commissioner in amounts and to parties as deemed consistent with the overall purposes of the grant program. In evaluating applications and awarding grants, the factors described in this part will be considered.

Subp. 2. **Appropriateness.** The appropriateness of the proposal must be evaluated. Appropriateness includes:

A. consistency of the proposal's purpose with the public policy objectives of the grant program;

B. the extent and history of labor-management activity within the area to be served by the proposed grant;

C. other past or present cooperative labor-management activities within the designated area;

D. the need for public funding of the endeavor; and

E. the reasonableness of proposed expenditures in relationship to benefits to be derived.

Subp. 3. **Attainability of goals.** The attainability of the goals in the proposal must be evaluated. Attainability includes:

A. ability of the applicant to articulate quantifiable and meaningful goals and activities;

B. evaluation of the applicant's ability and capacity to implement program activities necessary to achieve stated goals;

C. prior success of the applicant in achieving previous program goals;

D. other labor-management activities in the area; and

E. the relationship of the proposed goals with the overall objectives of the grant program.

Subp. 4. **Support for the proposal.** Evidence of support for the proposal from multiple labor-management representatives within the area will be reviewed. The evidence may be submitted in the form of letters of endorsement, resolutions of support adopted by ad hoc groups, or other form that permits consultation and verification with individual representatives by the bureau. Established committees must attach a copy of the minutes of the meeting at which the proposal was approved and the minutes should reflect the names and organizations of all persons present for the meeting.

Subp. 5. **Financial plans.** The thoroughness of the four-year financial plan submitted as a part of the proposal, including an analysis of the overall reasonableness of revenue and expense projections; the detail and reasonableness of projected funding sources and amounts; and the detail and reasonableness of projected expenditures will be considered. Established committees must attach copies of actual financial operating statements that reflect annual revenue sources and amounts and expense categories and amounts for each year of the three-year period preceding the current year, as well as for the current year-to-date.

Subp. 6. **Work plans.** The thoroughness of detailed plans for achieving the major goals and objectives of the committee will be evaluated to determine the ability of the committee to identify key tasks and action steps necessary to the attainment of goals; the designation of appropriate time frames; relevance of work plans to objectives of the grant program; and the extent of planning undertaken by the applicant with regard to its goals.

Subp. 7. **TADA plans.** Demonstrated understanding, capacity, and willingness to develop a meaningful technical assistant work plan for an external and independent technical assistance delivery area designated by the commissioner, including an expression of preferred technical assistance area and narrative discussion of potential work plan, will also be considered when evaluating an application.

5520.0520 WORK PLAN.

Each grant application must include a work plan that describes the major work steps to be undertaken by the committee during the grant period in achieving its individual goals and objectives. Work plans should describe each area of substantial program activity contemplated by the committee, the key steps necessary to achieving each program activity, and a time frame for determining progress in each activity area. Grantees are responsible for compliance with their work plans and for advising the Office of Cooperative Labor-Management Programs of any significant alterations in the goals, objectives, or work plans of the committee. Written quarterly reports, describing the progress and problems in adhering to the work plan, must accompany financial reports in conformance to the provisions of part 5520.0560.

5520.0540 BUDGET ADJUSTMENTS.

Grant recipients must consult, in writing, with the Office of Cooperative Labor-Management Programs before making budget adjustments that:

A. result in changes in the scope or objectives of the program in the approved application;

B. result in more grant money available than is necessary to meet the needs of the program;

C. result in a change in the percent of state funds available to the grantee that would be inconsistent with part 5520.0300, subpart 3, or Minnesota Statutes, section 179.85; or

D. amount to ten percent or more of the total grant awarded.

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

5520.0560 QUARTERLY REPORTS.

Each grant recipient must file detailed financial and activity reports on a quarterly basis in accordance with the following schedule:

A. Period covered: January 1 to March 31, date due: April 20;

B. Period covered: April 1 to June 30, date due: July 20;

C. Period covered: July 1 to September 30, date due: October 20; and

D. Period covered: October 1 to December 31, date due: January 20.

A failure to file timely reports will cause a suspension of the grant and may cause reductions in the amount of or termination of the grant.

5520.0600 ACCOUNTING SYSTEM.

Each grant recipient must establish and maintain a system of financial management of the grant that complies with accepted accounting practices. The system must provide accurate, current, and complete information on the financial status of each grant-supported activity and must include the generation of periodic reports indicating the allocation of funds by activity, the amount expended, and the amount obligated. Each dollar of Area Labor-Management Committee Grant Program money must be traceable through the accounting system.

All accounting documents must be supported by source documentation such as payroll records, invoices, and purchase vouchers. All employees paid in whole or in part from grant funds must prepare time sheets reflecting the number of hours worked on grant activities during the pay period and the payroll must be based on these time sheets. Any purchase of services agreement entered into by the committee must specify the amount and nature of services to be provided in a manner that facilitates determination of an hourly or per-unit rate for those services.

5520.0620 AUDITS.

Subpart 1. **Financial and compliance audits.** All grant recipients must arrange for and undergo a financial and compliance audit at least once every two years. The audits must be performed by qualified individuals who are independent of those persons who authorize, manage, and carry out the expenditure of funds to ensure unbiased opinions, conclusions, or judgments. Grant recipients are responsible for arranging and paying for these audits. The purpose of the audit is to report on whether:

A. the financial operations have been conducted properly;

B. financial and other reports submitted as a part of the program have been presented fairly and accurately;

C. the grantee has complied with applicable laws, regulations, and policies;

D. resources are used and managed in an economic and efficient manner; and

E. program objectives and results are being effectively and economically achieved.

Normal accepted auditing methods and standards must be applied in the performance of this audit. Should an auditor become aware of irregularities in financial or programmatic performance, the auditor must promptly notify the commissioner of those irregularities and, if appropriate, higher grantee management officials than the level at which irregularities appear to lie.

Subp. 2. **Audit reports.** A written audit report shall be prepared and include:

A. a statement of the standards used in the performance of the audit;

B. financial statements and audit comments on the statements for the period;

C. audit comments regarding compliance and internal control; and

D. comments regarding the accuracy and completeness of financial and program reports filed by the grantee.

Three copies of the written audit report must be provided to the commissioner and a copy shall be made available to each member of the committee.

5520.0700 INITIAL PAYMENTS.

No grant payments will be issued until the grant application and required work plans have received final approval by the commissioner and a written grant contract has been executed and approved.

5520.0710 SUBSEQUENT PAYMENTS.

Subsequent grant payments will be made on a quarterly basis based on submission of a payment request form and other required reports. When computing requests for payment, the recipient should first apply any unused portions of a previous grant payment toward the next month's anticipated expenditures.

5520.0800 TERMINATION OF GRANTS.

Subpart 1. **General.** Grants may be suspended, terminated, or withdrawn, in whole or in part, by the commissioner if funds provided are used in a manner inconsistent with the policies of parts 5520.0100 to 5520.0800, or if it appears that funds are being used in a manner inconsistent with the stated goals and purpose of the grant application or approved amendments. Grants may also be withdrawn if it appears that the applicant is unable or unwilling to fulfill responsibilities set forth in the application.

Subp. 2. **Notice.** In the event the commissioner believes that there is reason to suspend, terminate, or withdraw a grant, the commissioner shall provide written notice to the grant recipient stating the nature of the contemplated action, the anticipated effective date, and the reasons for the action. The grant recipient may submit a written response to the notice within five working days of receipt of the notice from the commissioner. After investigating the situation, including any information provided by the committee in response to the commissioner's notice, the commissioner shall determine final action with regard to suspension, termination, or withdrawal of the grant. The commissioner shall provide written notice of the final determination to all interested parties.

Waste Management Board

Proposed Permanent Rules Relating to Grants for Waste Tire Collection Sites

Notice of Intent to Adopt Rules Without a Public Hearing

NOTICE IS HEREBY GIVEN that the Minnesota Waste Management Board (Board) intends to adopt the above-entitled rule without a public hearing following the procedures set forth in the Administrative Procedure Act for adopting rules without a public hearing in *Minnesota Statutes* § 14.22 to 14.28 (1986). The Board's authority to adopt the rule is set forth in *Minnesota Statutes* § 115.914, subd. 1 (as amended by *Minnesota Laws 1988*, ch. 685, sec. 45).

All persons have until 4:30 p.m. on Wednesday, October 12, 1988, to submit comments in support of or in opposition to the proposed rule or any part or subpart of the rule. Comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rule within the comment period. If 25 or more persons submit a written request for a public hearing within the comment period, a public hearing will be held unless a sufficient number withdraw their requests in writing. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. If a public hearing is required, the Board will proceed pursuant to *Minnesota Statutes* § 14.131 to 14.20 (1986).

Comments or written requests for a public hearing must be submitted to:

Mr. Don Lindstrom
Waste Management Board
1350 Energy Lane
St. Paul, MN 55108
(612) 649-5780

The proposed rule may be modified if the modifications are supported by data and views submitted to the Board and do not result in a substantial change in the proposed rule as noticed.

The proposed rule, if adopted, will govern the waste tire collection site grant program established in *Minnesota Statutes* § 115A.913 subd. 2 (*Minnesota Laws 1988* ch. 685, sec. 15) by establishing the substantive criteria and procedural conditions under which the Board will award grants for waste tire collection sites. The proposed rule is enclosed with this notice. One free copy of the rules is available from Mr. Don Lindstorm upon request.

You are hereby advised, pursuant to *Minnesota Statutes* § 14.115 (1986), "Small business considerations in rulemaking," that the proposed rule will have no negative affect on small businesses because the program will create opportunities for private businesses that desire to operate collection sites for counties, or that seek to transport waste tires to permitted collection sites.

If no hearing is required, upon adoption of the rule, the rule and the required supporting documents will be submitted to the Attorney General for review as to legality and form to the extent form relates to legality. Any person may request notification of the

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

Proposed Rules

Pursuant to Minn. Stat. of 1982, §§ 14.22, an agency may propose to adopt, amend, suspend or repeal rules without first holding a public hearing, as long as the agency determines that the rules will be noncontroversial in nature. The agency must first publish a notice of intent to adopt rules without a public hearing, together with the proposed rules, in the *State Register*. The notice must advise the public:

1. that they have 30 days in which to submit comment on the proposed rules;
2. that no public hearing will be held unless 25 or more persons make a written request for a hearing within the 30-day comment period;
3. of the manner in which persons shall request a hearing on the proposed rules; and
4. that the rule may be modified if the modifications are supported by the data and views submitted.

If, during the 30-day comment period, 25 or more persons submit to the agency a written request for a hearing of the proposed rules, the agency must proceed under the provisions of §§ 14.14-14.20, which state that if an agency decides to hold a public hearing, it must publish a notice of intent in the *State Register*.

Pursuant to Minn. Stat. §§ 14.29 and 14.30, agencies may propose emergency rules under certain circumstances. Proposed emergency rules are published in the *State Register* and, for at least 25 days thereafter, interested persons may submit data and views in writing to the proposing agency.

Bureau of Mediation Services

Proposed Permanent Rules Relating to Minnesota Area Labor-Management Committee Grant Program

Notice of Intent to Adopt a Rule Without a Public Hearing

NOTICE IS HEREBY GIVEN that the State Bureau of Mediation Services intends to adopt the above-entitled rule without a public hearing following the procedures set forth in the Administrative Procedure Act for adopting rules without a public hearing in *Minnesota Statutes*, sections 14.22 to 14.28. The statutory authority to adopt the rule is 179.82, Subdivision 2.

All persons have 30 days in which to submit comment in support of or in opposition to the proposed rule or any part or subpart of the rule. Comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rule within the 30-day comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their request in writing. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. If a public hearing is required the agency will proceed pursuant to *Minnesota Statutes*, sections 14.131 to 14.20.

Comments or written requests for a public hearing must be submitted to:

Paul W. Goldberg, Commissioner
Bureau of Mediation Services
1380 Energy Lane, Suite Two
St. Paul, MN 55108
(612) 649-5421

The proposed rule may be modified if the modifications are supported by data and views submitted to the agency and do not result in a substantial change in the proposed rule as noticed.

A copy of the proposed rule is attached to this notice.

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rule and identifies the data and information relied upon to support the proposed rule has been prepared and is available from Paul W. Goldberg, Commissioner, Bureau of Mediation Services, 1380 Energy Lane, Suite Two, St. Paul, Minnesota, 55108.

If no hearing is required, upon adoption of the rule, the rule and the required supporting documents will be submitted to the Attorney General for review as to legality and form to the extent the form related to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the adopted rule, must submit the written request to Paul W. Goldberg, Commissioner, Bureau of Mediation Services, 1380 Energy Lane, Suite Two, Saint Paul, Minnesota, 55108.

Dated: 29 August 1988

Paul W. Goldberg
Commissioner

Rules as Proposed (all new material)

5520.0100 APPLICATION.

Parts 5520.0100 to 5520.0800 apply to the preparation, submission, and approval of applications for grants under the Minnesota Area Labor-Management Committee Grant Program.

5520.0110 POLICY.

Parts 5520.0100 to 5520.0800 shall be liberally construed to accomplish the provisions and purposes of the Minnesota Area Labor-Management Committee Grant Program.

5520.0120 DEFINITIONS.

Subpart 1. **Scope.** For the purpose of parts 5520.0100 to 5520.0800, the terms defined in this part have the meanings given them.

Subp. 2. **Application.** "Application" means a written request for grant funds completed on a form developed by and available from the bureau.

Subp. 3. **Bureau.** "Bureau" means the Minnesota Bureau of Mediation Services.

Subp. 4. **Commissioner.** "Commissioner" means the commissioner of the bureau or an authorized agent.

Subp. 5. **Area Labor-Management Committee or committee.** "Area Labor-Management Committee" or "committee" means an organization of representatives from multiple labor organizations and multiple employer enterprises within a geographic area or statewide employment sector which has as its principle purpose the strengthening of union-management relations within the area or sector.

Subp. 6. **Grant program.** "Grant program" means the Minnesota Area Labor-Management Committee Grant Program, as created in Minnesota Statutes, sections 179.81 to 179.85.

Subp. 7. **Office of Cooperative Labor-Management Programs.** "Office of Cooperative Labor-Management Programs" means the office within the bureau created to administer the grant program.

Subp. 8. **Technical assistance delivery area (TADA).** "Technical assistance delivery area (TADA)" means a geographical area or a statewide employment sector outside of the jurisdiction of an established Area Labor-Management Committee that has been designated by the commissioner to receive technical assistance from a grant recipient.

5520.0200 GRANT APPLICATIONS.

Subpart 1. **Scope.** The procedures in this part will be used by the commissioner in receiving and considering grant program applications.

Subp. 2. **Notice and deadline.** On or before September 1 of each calendar year, the commissioner shall publish a notice of the availability of funds under the grant program in the State Register. An application for a grant must be submitted to the bureau by October 15 of the previous year.

Subp. 3. **Application form and purpose.** Each application must be on forms available from the bureau and must include a statement of purpose and a description of the Area Labor-Management Committee requesting grant funds. All current committee members and officers must be identified in the application and a brief description of the committee's existing or proposed operating procedures must be included. A copy of the committee bylaws, if adopted, must also accompany the application.

Subp. 4. **Statement of goals.** The application must include a descriptive statement of the labor-management climate and major issues or problems existing in the committee's area of jurisdiction, as well as the major purpose or goal of the committee in the context of the problems. The goal statement must describe specific changes or outcomes the committee seeks to accomplish through use of grant program funds. Quantifiable, specific goal and problem statements are encouraged. Applicants should avoid broad, generic, overly-generalized statements.

Subp. 5. **Methodology.** The application must include a description of the approach and methodology to be used by the committee in solving the problems and achieving the goals identified in subpart 4. The application must include an implementation plan setting forth specific and measurable goals and objectives to be accomplished during the grant period, the major action steps to be taken, a timetable indicating when those action steps will be taken, and when goals and objectives will be accomplished.

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

Subp. 6. **Financial plan.** The application must include a four-year financial plan detailing the revenues and expenditures anticipated over a four-year period, commencing with the year for which the grant is being requested. The plan must identify the total amount of state funding necessary to carry out the committee's goals and objectives and the money to be raised from other sources to meet the guidelines of the grant program. The plan must be accompanied by a proposed committee budget over the four-year period detailing how all money, including state grant money, is to be expended. Existing committees must also submit copies of actual financial statements for the four-year period preceding the proposed grant period.

5520.0250 GRANT RESTRICTIONS.

Subpart 1. **Labor negotiations, grievances, or disputes.** No committee funded, in whole or in part, through the grant program may engage in activities directly or indirectly related to labor negotiations, contract disputes, or grievance procedures. Violation of this subpart is grounds for termination of the grant.

Subp. 2. **Prior obligations.** No grant money may be used directly or indirectly to cover costs incurred before the effective date of the grant nor to cover costs that are not specifically related to the goals in the application. No finder's fee or other form of payment for successful application shall be permitted in conjunction with the grant program.

Subp. 3. **TADA set-aside.** An amount equal to ten percent of the total amount of every grant shall be designated and may only be used to provide technical assistance to the technical assistance delivery area designated by the commissioner, pursuant to a technical assistance work plan approved by the commissioner.

Subp. 4. **Delegation or transfer.** A successful applicant may not, in whole or in part, delegate or transfer responsibility for the management of the grant or control and use of its funds to any other organization or entity.

5520.0300 GRANT PERIOD AND AMOUNT.

Subpart 1. **Grant period.** All grants are awarded for a 12-month period commencing January 1.

Subp. 2. **Amount.** The amount of each grant will be determined by the commissioner after considering the merits and reasonableness of each application, the total funds available in relationship to the total amounts requested, prior awards and experiences with individual applicants, the usual and customary costs of operating a committee, and the overall purposes and goals of the program.

Subp. 3. **Ratio of state and nonstate funds.** Regardless of the funds available, no grant will be awarded that would be inconsistent with the following ratio of state and nonstate revenues for the committee: (Year 1 is the first year state funds are received under this program, Year 2 is the second, etc.)

	% Nonstate Revenues	% State Revenues
YEAR 1	10	90
YEAR 2	20	80
YEAR 3 & Beyond	50	50

5520.0400 TECHNICAL ASSISTANCE DELIVERY AREA.

Subpart 1. **Designation.** Based upon an assessment of overall needs and potential, as well as the recommendations of grant applicants, the commissioner shall designate an external geographic area or statewide employment sector as a technical assistance delivery area for each grant recipient.

Subp. 2. **Work plan.** In consultation with the Office of Cooperative Labor-Management Programs, each grant recipient shall prepare and submit a plan for using the TADA portion of its grant to foster the growth and development of an Area Labor-Management Committee within the area or sector designated by the commissioner in subpart 1. The plans are subject to the approval of the commissioner and may be amended with advance written consent of the commissioner. Failure to submit or adhere to a TADA work plan may be grounds for termination of a grant.

Subp. 3. **Reports.** Each grant recipient shall provide written quarterly reports to the commissioner concerning progress on its TADA work plan and expenditures of its TADA portion of the grant.

5520.0500 APPLICATION REVIEW PROCEDURES.

Subpart 1. **Competitive basis.** All timely and complete applications will be reviewed on a competitive basis. Grants will be awarded by the commissioner in amounts and to parties as deemed consistent with the overall purposes of the grant program. In evaluating applications and awarding grants, the factors described in this part will be considered.

Subp. 2. **Appropriateness.** The appropriateness of the proposal must be evaluated. Appropriateness includes:

A. consistency of the proposal's purpose with the public policy objectives of the grant program;

B. the extent and history of labor-management activity within the area to be served by the proposed grant;

C. other past or present cooperative labor-management activities within the designated area;

D. the need for public funding of the endeavor; and

E. the reasonableness of proposed expenditures in relationship to benefits to be derived.

Subp. 3. **Attainability of goals.** The attainability of the goals in the proposal must be evaluated. Attainability includes:

A. ability of the applicant to articulate quantifiable and meaningful goals and activities;

B. evaluation of the applicant's ability and capacity to implement program activities necessary to achieve stated goals;

C. prior success of the applicant in achieving previous program goals;

D. other labor-management activities in the area; and

E. the relationship of the proposed goals with the overall objectives of the grant program.

Subp. 4. **Support for the proposal.** Evidence of support for the proposal from multiple labor-management representatives within the area will be reviewed. The evidence may be submitted in the form of letters of endorsement, resolutions of support adopted by ad hoc groups, or other form that permits consultation and verification with individual representatives by the bureau. Established committees must attach a copy of the minutes of the meeting at which the proposal was approved and the minutes should reflect the names and organizations of all persons present for the meeting.

Subp. 5. **Financial plans.** The thoroughness of the four-year financial plan submitted as a part of the proposal, including an analysis of the overall reasonableness of revenue and expense projections; the detail and reasonableness of projected funding sources and amounts; and the detail and reasonableness of projected expenditures will be considered. Established committees must attach copies of actual financial operating statements that reflect annual revenue sources and amounts and expense categories and amounts for each year of the three-year period preceding the current year, as well as for the current year-to-date.

Subp. 6. **Work plans.** The thoroughness of detailed plans for achieving the major goals and objectives of the committee will be evaluated to determine the ability of the committee to identify key tasks and action steps necessary to the attainment of goals; the designation of appropriate time frames; relevance of work plans to objectives of the grant program; and the extent of planning undertaken by the applicant with regard to its goals.

Subp. 7. **TADA plans.** Demonstrated understanding, capacity, and willingness to develop a meaningful technical assistant work plan for an external and independent technical assistance delivery area designated by the commissioner, including an expression of preferred technical assistance area and narrative discussion of potential work plan, will also be considered when evaluating an application.

5520.0520 WORK PLAN.

Each grant application must include a work plan that describes the major work steps to be undertaken by the committee during the grant period in achieving its individual goals and objectives. Work plans should describe each area of substantial program activity contemplated by the committee, the key steps necessary to achieving each program activity, and a time frame for determining progress in each activity area. Grantees are responsible for compliance with their work plans and for advising the Office of Cooperative Labor-Management Programs of any significant alterations in the goals, objectives, or work plans of the committee. Written quarterly reports, describing the progress and problems in adhering to the work plan, must accompany financial reports in conformance to the provisions of part 5520.0560.

5520.0540 BUDGET ADJUSTMENTS.

Grant recipients must consult, in writing, with the Office of Cooperative Labor-Management Programs before making budget adjustments that:

A. result in changes in the scope or objectives of the program in the approved application;

B. result in more grant money available than is necessary to meet the needs of the program;

C. result in a change in the percent of state funds available to the grantee that would be inconsistent with part 5520.0300, subpart 3, or Minnesota Statutes, section 179.85; or

D. amount to ten percent or more of the total grant awarded.

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

5520.0560 QUARTERLY REPORTS.

Each grant recipient must file detailed financial and activity reports on a quarterly basis in accordance with the following schedule:

A. Period covered: January 1 to March 31, date due: April 20;

B. Period covered: April 1 to June 30, date due: July 20;

C. Period covered: July 1 to September 30, date due: October 20; and

D. Period covered: October 1 to December 31, date due: January 20.

A failure to file timely reports will cause a suspension of the grant and may cause reductions in the amount of or termination of the grant.

5520.0600 ACCOUNTING SYSTEM.

Each grant recipient must establish and maintain a system of financial management of the grant that complies with accepted accounting practices. The system must provide accurate, current, and complete information on the financial status of each grant-supported activity and must include the generation of periodic reports indicating the allocation of funds by activity, the amount expended, and the amount obligated. Each dollar of Area Labor-Management Committee Grant Program money must be traceable through the accounting system.

All accounting documents must be supported by source documentation such as payroll records, invoices, and purchase vouchers. All employees paid in whole or in part from grant funds must prepare time sheets reflecting the number of hours worked on grant activities during the pay period and the payroll must be based on these time sheets. Any purchase of services agreement entered into by the committee must specify the amount and nature of services to be provided in a manner that facilitates determination of an hourly or per-unit rate for those services.

5520.0620 AUDITS.

Subpart 1. **Financial and compliance audits.** All grant recipients must arrange for and undergo a financial and compliance audit at least once every two years. The audits must be performed by qualified individuals who are independent of those persons who authorize, manage, and carry out the expenditure of funds to ensure unbiased opinions, conclusions, or judgments. Grant recipients are responsible for arranging and paying for these audits. The purpose of the audit is to report on whether:

A. the financial operations have been conducted properly;

B. financial and other reports submitted as a part of the program have been presented fairly and accurately;

C. the grantee has complied with applicable laws, regulations, and policies;

D. resources are used and managed in an economic and efficient manner; and

E. program objectives and results are being effectively and economically achieved.

Normal accepted auditing methods and standards must be applied in the performance of this audit. Should an auditor become aware of irregularities in financial or programmatic performance, the auditor must promptly notify the commissioner of those irregularities and, if appropriate, higher grantee management officials than the level at which irregularities appear to lie.

Subp. 2. **Audit reports.** A written audit report shall be prepared and include:

A. a statement of the standards used in the performance of the audit;

B. financial statements and audit comments on the statements for the period;

C. audit comments regarding compliance and internal control; and

D. comments regarding the accuracy and completeness of financial and program reports filed by the grantee.

Three copies of the written audit report must be provided to the commissioner and a copy shall be made available to each member of the committee.

5520.0700 INITIAL PAYMENTS.

No grant payments will be issued until the grant application and required work plans have received final approval by the commissioner and a written grant contract has been executed and approved.

5520.0710 SUBSEQUENT PAYMENTS.

Subsequent grant payments will be made on a quarterly basis based on submission of a payment request form and other required reports. When computing requests for payment, the recipient should first apply any unused portions of a previous grant payment toward the next month's anticipated expenditures.

5520.0800 TERMINATION OF GRANTS.

Subpart 1. **General.** Grants may be suspended, terminated, or withdrawn, in whole or in part, by the commissioner if funds provided are used in a manner inconsistent with the policies of parts 5520.0100 to 5520.0800, or if it appears that funds are being used in a manner inconsistent with the stated goals and purpose of the grant application or approved amendments. Grants may also be withdrawn if it appears that the applicant is unable or unwilling to fulfill responsibilities set forth in the application.

Subp. 2. **Notice.** In the event the commissioner believes that there is reason to suspend, terminate, or withdraw a grant, the commissioner shall provide written notice to the grant recipient stating the nature of the contemplated action, the anticipated effective date, and the reasons for the action. The grant recipient may submit a written response to the notice within five working days of receipt of the notice from the commissioner. After investigating the situation, including any information provided by the committee in response to the commissioner's notice, the commissioner shall determine final action with regard to suspension, termination, or withdrawal of the grant. The commissioner shall provide written notice of the final determination to all interested parties.

Waste Management Board

Proposed Permanent Rules Relating to Grants for Waste Tire Collection Sites

Notice of Intent to Adopt Rules Without a Public Hearing

NOTICE IS HEREBY GIVEN that the Minnesota Waste Management Board (Board) intends to adopt the above-entitled rule without a public hearing following the procedures set forth in the Administrative Procedure Act for adopting rules without a public hearing in *Minnesota Statutes* § 14.22 to 14.28 (1986). The Board's authority to adopt the rule is set forth in *Minnesota Statutes* § 115.914, subd. 1 (as amended by *Minnesota Laws 1988*, ch. 685, sec. 45).

All persons have until 4:30 p.m. on Wednesday, October 12, 1988, to submit comments in support of or in opposition to the proposed rule or any part or subpart of the rule. Comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rule within the comment period. If 25 or more persons submit a written request for a public hearing within the comment period, a public hearing will be held unless a sufficient number withdraw their requests in writing. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. If a public hearing is required, the Board will proceed pursuant to *Minnesota Statutes* § 14.131 to 14.20 (1986).

Comments or written requests for a public hearing must be submitted to:

Mr. Don Lindstrom
Waste Management Board
1350 Energy Lane
St. Paul, MN 55108
(612) 649-5780

The proposed rule may be modified if the modifications are supported by data and views submitted to the Board and do not result in a substantial change in the proposed rule as noticed.

The proposed rule, if adopted, will govern the waste tire collection site grant program established in *Minnesota Statutes* § 115A.913 subd. 2 (*Minnesota Laws 1988* ch. 685, sec. 15) by establishing the substantive criteria and procedural conditions under which the Board will award grants for waste tire collection sites. The proposed rule is enclosed with this notice. One free copy of the rules is available from Mr. Don Lindstorm upon request.

You are hereby advised, pursuant to *Minnesota Statutes* § 14.115 (1986), "Small business considerations in rulemaking," that the proposed rule will have no negative affect on small businesses because the program will create opportunities for private businesses that desire to operate collection sites for counties, or that seek to transport waste tires to permitted collection sites.

If no hearing is required, upon adoption of the rule, the rule and the required supporting documents will be submitted to the Attorney General for review as to legality and form to the extent form relates to legality. Any person may request notification of the

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

STATE OF MINNESOTA

BUREAU OF MEDIATION SERVICES

In the Matter of the Proposed Adoption of Rules of the State Bureau of Mediation Services Relating to the Minnesota Area Labor-Management Committee Grant Program

FINDINGS OF FACT, CONCLUSIONS, AND ORDER ADOPTING RULE WITHOUT PUBLIC HEARING

Notice of the Commissioner's intent to adopt the above-entitled rules was published in the State Register on September 12, 1988, and was sent by United States mail to all persons on the list maintained by the agency pursuant to Minnesota Statutes section 14.14, subdivision 1a and 14.22 on September 12, 1988. The statement of need and reasonableness was prepared before the notice of intent to adopt a rule without a public hearing was mailed to all persons on the rulemaking mailing list and published in the State Register and was available to the public.

All persons were given the opportunity to submit comment on the rule for 30 days after notice of proposed rulemaking. No requests for a public hearing on the rule were received by the the agency.

No submissions or comments on the rule were received by the agency. No requests for notice of submission to the attorney general were received by the agency.

Based on the comments and evidence in the record before the agency, I find the following:

The above-captioned rules are needed and reasonable.

NOW, THEREFORE, IT IS ORDERED that the rules identified as Minnesota Rules: Parts 5520.0100 to 5520.0800 are adopted this 28 day of December 1988, pursuant to authority vested in me by Minnesota Statutes section 179A.04, Subd. 3(f) (1984).

Name Paul W. Goldberg

Title Commissioner

In the Matter of the Adoption of Rules of the State Bureau of Mediation Services Relating to the Minnesota Area Labor-Management Committee Grant Program

DECLARATION OF COUNSEL

I, Andrea Kircher, Special Assistant Attorney General, do hereby declare that I have examined the above-captioned rule, and the supporting rulemaking record, and that, based on my examination, the Administrative Procedure Act and Minnesota Rules, chapter 2010 have been followed. Any exceptions are listed below. For Attorney General billing purposes, the four-digit docket client code is 0650.

AM Kircher

Andrea Kircher
Special Assistant
Attorney General

Dated: 12-28-88

Proposed Rules

Pursuant to Minn. Stat. of 1982, §§ 14.22, an agency may propose to adopt, amend, suspend or repeal rules without first holding a public hearing, as long as the agency determines that the rules will be noncontroversial in nature. The agency must first publish a notice of intent to adopt rules without a public hearing, together with the proposed rules, in the *State Register*. The notice must advise the public:

1. that they have 30 days in which to submit comment on the proposed rules;
2. that no public hearing will be held unless 25 or more persons make a written request for a hearing within the 30-day comment period;
3. of the manner in which persons shall request a hearing on the proposed rules; and
4. that the rule may be modified if the modifications are supported by the data and views submitted.

If, during the 30-day comment period, 25 or more persons submit to the agency a written request for a hearing of the proposed rules, the agency must proceed under the provisions of §§ 14.14-14.20, which state that if an agency decides to hold a public hearing, it must publish a notice of intent in the *State Register*.

Pursuant to Minn. Stat. §§ 14.29 and 14.30, agencies may propose emergency rules under certain circumstances. Proposed emergency rules are published in the *State Register* and, for at least 25 days thereafter, interested persons may submit data and views in writing to the proposing agency.

Bureau of Mediation Services

Proposed Permanent Rules Relating to Minnesota Area Labor-Management Committee Grant Program

Notice of Intent to Adopt a Rule Without a Public Hearing

NOTICE IS HEREBY GIVEN that the State Bureau of Mediation Services intends to adopt the above-entitled rule without a public hearing following the procedures set forth in the Administrative Procedure Act for adopting rules without a public hearing in *Minnesota Statutes*, sections 14.22 to 14.28. The statutory authority to adopt the rule is 179.82, Subdivision 2.

All persons have 30 days in which to submit comment in support of or in opposition to the proposed rule or any part or subpart of the rule. Comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rule within the 30-day comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their request in writing. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. If a public hearing is required the agency will proceed pursuant to *Minnesota Statutes*, sections 14.131 to 14.20.

Comments or written requests for a public hearing must be submitted to:

Paul W. Goldberg, Commissioner
Bureau of Mediation Services
1380 Energy Lane, Suite Two
St. Paul, MN 55108
(612) 649-5421

The proposed rule may be modified if the modifications are supported by data and views submitted to the agency and do not result in a substantial change in the proposed rule as noticed.

A copy of the proposed rule is attached to this notice.

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rule and identifies the data and information relied upon to support the proposed rule has been prepared and is available from Paul W. Goldberg, Commissioner, Bureau of Mediation Services, 1380 Energy Lane, Suite Two, St. Paul, Minnesota, 55108.

If no hearing is required, upon adoption of the rule, the rule and the required supporting documents will be submitted to the Attorney General for review as to legality and form to the extent the form related to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the adopted rule, must submit the written request to Paul W. Goldberg, Commissioner, Bureau of Mediation Services, 1380 Energy Lane, Suite Two, Saint Paul, Minnesota, 55108.

Dated: 29 August 1988

Paul W. Goldberg
Commissioner

Rules as Proposed (all new material)

5520.0100 APPLICATION.

Parts 5520.0100 to 5520.0800 apply to the preparation, submission, and approval of applications for grants under the Minnesota Area Labor-Management Committee Grant Program.

5520.0110 POLICY.

Parts 5520.0100 to 5520.0800 shall be liberally construed to accomplish the provisions and purposes of the Minnesota Area Labor-Management Committee Grant Program.

5520.0120 DEFINITIONS.

Subpart 1. **Scope.** For the purpose of parts 5520.0100 to 5520.0800, the terms defined in this part have the meanings given them.

Subp. 2. **Application.** "Application" means a written request for grant funds completed on a form developed by and available from the bureau.

Subp. 3. **Bureau.** "Bureau" means the Minnesota Bureau of Mediation Services.

Subp. 4. **Commissioner.** "Commissioner" means the commissioner of the bureau or an authorized agent.

Subp. 5. **Area Labor-Management Committee or committee.** "Area Labor-Management Committee" or "committee" means an organization of representatives from multiple labor organizations and multiple employer enterprises within a geographic area or statewide employment sector which has as its principle purpose the strengthening of union-management relations within the area or sector.

Subp. 6. **Grant program.** "Grant program" means the Minnesota Area Labor-Management Committee Grant Program, as created in Minnesota Statutes, sections 179.81 to 179.85.

Subp. 7. **Office of Cooperative Labor-Management Programs.** "Office of Cooperative Labor-Management Programs" means the office within the bureau created to administer the grant program.

Subp. 8. **Technical assistance delivery area (TADA).** "Technical assistance delivery area (TADA)" means a geographical area or a statewide employment sector outside of the jurisdiction of an established Area Labor-Management Committee that has been designated by the commissioner to receive technical assistance from a grant recipient.

5520.0200 GRANT APPLICATIONS.

Subpart 1. **Scope.** The procedures in this part will be used by the commissioner in receiving and considering grant program applications.

Subp. 2. **Notice and deadline.** On or before September 1 of each calendar year, the commissioner shall publish a notice of the availability of funds under the grant program in the State Register. An application for a grant must be submitted to the bureau by October 15 of the previous year.

Subp. 3. **Application form and purpose.** Each application must be on forms available from the bureau and must include a statement of purpose and a description of the Area Labor-Management Committee requesting grant funds. All current committee members and officers must be identified in the application and a brief description of the committee's existing or proposed operating procedures must be included. A copy of the committee bylaws, if adopted, must also accompany the application.

Subp. 4. **Statement of goals.** The application must include a descriptive statement of the labor-management climate and major issues or problems existing in the committee's area of jurisdiction, as well as the major purpose or goal of the committee in the context of the problems. The goal statement must describe specific changes or outcomes the committee seeks to accomplish through use of grant program funds. Quantifiable, specific goal and problem statements are encouraged. Applicants should avoid broad, generic, overly-generalized statements.

Subp. 5. **Methodology.** The application must include a description of the approach and methodology to be used by the committee in solving the problems and achieving the goals identified in subpart 4. The application must include an implementation plan setting forth specific and measurable goals and objectives to be accomplished during the grant period, the major action steps to be taken, a timetable indicating when those action steps will be taken, and when goals and objectives will be accomplished.

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

Subp. 6. **Financial plan.** The application must include a four-year financial plan detailing the revenues and expenditures anticipated over a four-year period, commencing with the year for which the grant is being requested. The plan must identify the total amount of state funding necessary to carry out the committee's goals and objectives and the money to be raised from other sources to meet the guidelines of the grant program. The plan must be accompanied by a proposed committee budget over the four-year period detailing how all money, including state grant money, is to be expended. Existing committees must also submit copies of actual financial statements for the four-year period preceding the proposed grant period.

5520.0250 GRANT RESTRICTIONS.

Subpart 1. **Labor negotiations, grievances, or disputes.** No committee funded, in whole or in part, through the grant program may engage in activities directly or indirectly related to labor negotiations, contract disputes, or grievance procedures. Violation of this subpart is grounds for termination of the grant.

Subp. 2. **Prior obligations.** No grant money may be used directly or indirectly to cover costs incurred before the effective date of the grant nor to cover costs that are not specifically related to the goals in the application. No finder's fee or other form of payment for successful application shall be permitted in conjunction with the grant program.

Subp. 3. **TADA set-aside.** An amount equal to ten percent of the total amount of every grant shall be designated and may only be used to provide technical assistance to the technical assistance delivery area designated by the commissioner, pursuant to a technical assistance work plan approved by the commissioner.

Subp. 4. **Delegation or transfer.** A successful applicant may not, in whole or in part, delegate or transfer responsibility for the management of the grant or control and use of its funds to any other organization or entity.

5520.0300 GRANT PERIOD AND AMOUNT.

Subpart 1. **Grant period.** All grants are awarded for a 12-month period commencing January 1.

Subp. 2. **Amount.** The amount of each grant will be determined by the commissioner after considering the merits and reasonableness of each application, the total funds available in relationship to the total amounts requested, prior awards and experiences with individual applicants, the usual and customary costs of operating a committee, and the overall purposes and goals of the program.

Subp. 3. **Ratio of state and nonstate funds.** Regardless of the funds available, no grant will be awarded that would be inconsistent with the following ratio of state and nonstate revenues for the committee: (Year 1 is the first year state funds are received under this program. Year 2 is the second, etc.)

	% Nonstate Revenues	% State Revenues
YEAR 1	10	90
YEAR 2	20	80
YEAR 3 & Beyond	50	50

5520.0400 TECHNICAL ASSISTANCE DELIVERY AREA.

Subpart 1. **Designation.** Based upon an assessment of overall needs and potential, as well as the recommendations of grant applicants, the commissioner shall designate an external geographic area or statewide employment sector as a technical assistance delivery area for each grant recipient.

Subp. 2. **Work plan.** In consultation with the Office of Cooperative Labor-Management Programs, each grant recipient shall prepare and submit a plan for using the TADA portion of its grant to foster the growth and development of an Area Labor-Management Committee within the area or sector designated by the commissioner in subpart 1. The plans are subject to the approval of the commissioner and may be amended with advance written consent of the commissioner. Failure to submit or adhere to a TADA work plan may be grounds for termination of a grant.

Subp. 3. **Reports.** Each grant recipient shall provide written quarterly reports to the commissioner concerning progress on its TADA work plan and expenditures of its TADA portion of the grant.

5520.0500 APPLICATION REVIEW PROCEDURES.

Subpart 1. **Competitive basis.** All timely and complete applications will be reviewed on a competitive basis. Grants will be awarded by the commissioner in amounts and to parties as deemed consistent with the overall purposes of the grant program. In evaluating applications and awarding grants, the factors described in this part will be considered.

Subp. 2. **Appropriateness.** The appropriateness of the proposal must be evaluated. Appropriateness includes:

A. consistency of the proposal's purpose with the public policy objectives of the grant program;

B. the extent and history of labor-management activity within the area to be served by the proposed grant;

C. other past or present cooperative labor-management activities within the designated area;

D. the need for public funding of the endeavor; and

E. the reasonableness of proposed expenditures in relationship to benefits to be derived.

Subp. 3. **Attainability of goals.** The attainability of the goals in the proposal must be evaluated. Attainability includes:

A. ability of the applicant to articulate quantifiable and meaningful goals and activities;

B. evaluation of the applicant's ability and capacity to implement program activities necessary to achieve stated goals;

C. prior success of the applicant in achieving previous program goals;

D. other labor-management activities in the area; and

E. the relationship of the proposed goals with the overall objectives of the grant program.

Subp. 4. **Support for the proposal.** Evidence of support for the proposal from multiple labor-management representatives within the area will be reviewed. The evidence may be submitted in the form of letters of endorsement, resolutions of support adopted by ad hoc groups, or other form that permits consultation and verification with individual representatives by the bureau. Established committees must attach a copy of the minutes of the meeting at which the proposal was approved and the minutes should reflect the names and organizations of all persons present for the meeting.

Subp. 5. **Financial plans.** The thoroughness of the four-year financial plan submitted as a part of the proposal, including an analysis of the overall reasonableness of revenue and expense projections; the detail and reasonableness of projected funding sources and amounts; and the detail and reasonableness of projected expenditures will be considered. Established committees must attach copies of actual financial operating statements that reflect annual revenue sources and amounts and expense categories and amounts for each year of the three-year period preceding the current year, as well as for the current year-to-date.

Subp. 6. **Work plans.** The thoroughness of detailed plans for achieving the major goals and objectives of the committee will be evaluated to determine the ability of the committee to identify key tasks and action steps necessary to the attainment of goals; the designation of appropriate time frames; relevance of work plans to objectives of the grant program; and the extent of planning undertaken by the applicant with regard to its goals.

Subp. 7. **TADA plans.** Demonstrated understanding, capacity, and willingness to develop a meaningful technical assistant work plan for an external and independent technical assistance delivery area designated by the commissioner, including an expression of preferred technical assistance area and narrative discussion of potential work plan, will also be considered when evaluating an application.

5520.0520 WORK PLAN.

Each grant application must include a work plan that describes the major work steps to be undertaken by the committee during the grant period in achieving its individual goals and objectives. Work plans should describe each area of substantial program activity contemplated by the committee, the key steps necessary to achieving each program activity, and a time frame for determining progress in each activity area. Grantees are responsible for compliance with their work plans and for advising the Office of Cooperative Labor-Management Programs of any significant alterations in the goals, objectives, or work plans of the committee. Written quarterly reports, describing the progress and problems in adhering to the work plan, must accompany financial reports in conformance to the provisions of part 5520.0560.

5520.0540 BUDGET ADJUSTMENTS.

Grant recipients must consult, in writing, with the Office of Cooperative Labor-Management Programs before making budget adjustments that:

A. result in changes in the scope or objectives of the program in the approved application;

B. result in more grant money available than is necessary to meet the needs of the program;

C. result in a change in the percent of state funds available to the grantee that would be inconsistent with part 5520.0300, subpart 3, or Minnesota Statutes, section 179.85; or

D. amount to ten percent or more of the total grant awarded.

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

5520.0560 QUARTERLY REPORTS.

Each grant recipient must file detailed financial and activity reports on a quarterly basis in accordance with the following schedule:

A. Period covered: January 1 to March 31, date due: April 20;

B. Period covered: April 1 to June 30, date due: July 20;

C. Period covered: July 1 to September 30, date due: October 20; and

D. Period covered: October 1 to December 31, date due: January 20.

A failure to file timely reports will cause a suspension of the grant and may cause reductions in the amount of or termination of the grant.

5520.0600 ACCOUNTING SYSTEM.

Each grant recipient must establish and maintain a system of financial management of the grant that complies with accepted accounting practices. The system must provide accurate, current, and complete information on the financial status of each grant-supported activity and must include the generation of periodic reports indicating the allocation of funds by activity, the amount expended, and the amount obligated. Each dollar of Area Labor-Management Committee Grant Program money must be traceable through the accounting system.

All accounting documents must be supported by source documentation such as payroll records, invoices, and purchase vouchers. All employees paid in whole or in part from grant funds must prepare time sheets reflecting the number of hours worked on grant activities during the pay period and the payroll must be based on these time sheets. Any purchase of services agreement entered into by the committee must specify the amount and nature of services to be provided in a manner that facilitates determination of an hourly or per-unit rate for those services.

5520.0620 AUDITS.

Subpart 1. **Financial and compliance audits.** All grant recipients must arrange for and undergo a financial and compliance audit at least once every two years. The audits must be performed by qualified individuals who are independent of those persons who authorize, manage, and carry out the expenditure of funds to ensure unbiased opinions, conclusions, or judgments. Grant recipients are responsible for arranging and paying for these audits. The purpose of the audit is to report on whether:

A. the financial operations have been conducted properly;

B. financial and other reports submitted as a part of the program have been presented fairly and accurately;

C. the grantee has complied with applicable laws, regulations, and policies;

D. resources are used and managed in an economic and efficient manner; and

E. program objectives and results are being effectively and economically achieved.

Normal accepted auditing methods and standards must be applied in the performance of this audit. Should an auditor become aware of irregularities in financial or programmatic performance, the auditor must promptly notify the commissioner of those irregularities and, if appropriate, higher grantee management officials than the level at which irregularities appear to lie.

Subp. 2. **Audit reports.** A written audit report shall be prepared and include:

A. a statement of the standards used in the performance of the audit;

B. financial statements and audit comments on the statements for the period;

C. audit comments regarding compliance and internal control; and

D. comments regarding the accuracy and completeness of financial and program reports filed by the grantee.

Three copies of the written audit report must be provided to the commissioner and a copy shall be made available to each member of the committee.

5520.0700 INITIAL PAYMENTS.

No grant payments will be issued until the grant application and required work plans have received final approval by the commissioner and a written grant contract has been executed and approved.

5520.0710 SUBSEQUENT PAYMENTS.

Subsequent grant payments will be made on a quarterly basis based on submission of a payment request form and other required reports. When computing requests for payment, the recipient should first apply any unused portions of a previous grant payment toward the next month's anticipated expenditures.

5520.0800 TERMINATION OF GRANTS.

Subpart 1. **General.** Grants may be suspended, terminated, or withdrawn, in whole or in part, by the commissioner if funds provided are used in a manner inconsistent with the policies of parts 5520.0100 to 5520.0800, or if it appears that funds are being used in a manner inconsistent with the stated goals and purpose of the grant application or approved amendments. Grants may also be withdrawn if it appears that the applicant is unable or unwilling to fulfill responsibilities set forth in the application.

Subp. 2. **Notice.** In the event the commissioner believes that there is reason to suspend, terminate, or withdraw a grant, the commissioner shall provide written notice to the grant recipient stating the nature of the contemplated action, the anticipated effective date, and the reasons for the action. The grant recipient may submit a written response to the notice within five working days of receipt of the notice from the commissioner. After investigating the situation, including any information provided by the committee in response to the commissioner's notice, the commissioner shall determine final action with regard to suspension, termination, or withdrawal of the grant. The commissioner shall provide written notice of the final determination to all interested parties.

Waste Management Board

Proposed Permanent Rules Relating to Grants for Waste Tire Collection Sites

Notice of Intent to Adopt Rules Without a Public Hearing

NOTICE IS HEREBY GIVEN that the Minnesota Waste Management Board (Board) intends to adopt the above-entitled rule without a public hearing following the procedures set forth in the Administrative Procedure Act for adopting rules without a public hearing in *Minnesota Statutes* § 14.22 to 14.28 (1986). The Board's authority to adopt the rule is set forth in *Minnesota Statutes* § 115.914, subd. 1 (as amended by *Minnesota Laws 1988*, ch. 685, sec. 45).

All persons have until 4:30 p.m. on Wednesday, October 12, 1988, to submit comments in support of or in opposition to the proposed rule or any part or subpart of the rule. Comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rule within the comment period. If 25 or more persons submit a written request for a public hearing within the comment period, a public hearing will be held unless a sufficient number withdraw their requests in writing. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. If a public hearing is required, the Board will proceed pursuant to *Minnesota Statutes* § 14.131 to 14.20 (1986).

Comments or written requests for a public hearing must be submitted to:

Mr. Don Lindstrom
Waste Management Board
1350 Energy Lane
St. Paul, MN 55108
(612) 649-5780

The proposed rule may be modified if the modifications are supported by data and views submitted to the Board and do not result in a substantial change in the proposed rule as noticed.

The proposed rule, if adopted, will govern the waste tire collection site grant program established in *Minnesota Statutes* § 115A.913 subd. 2 (*Minnesota Laws 1988* ch. 685, sec. 15) by establishing the substantive criteria and procedural conditions under which the Board will award grants for waste tire collection sites. The proposed rule is enclosed with this notice. One free copy of the rules is available from Mr. Don Lindstorm upon request.

You are hereby advised, pursuant to *Minnesota Statutes* § 14.115 (1986), "Small business considerations in rulemaking," that the proposed rule will have no negative affect on small businesses because the program will create opportunities for private businesses that desire to operate collection sites for counties, or that seek to transport waste tires to permitted collection sites.

If no hearing is required, upon adoption of the rule, the rule and the required supporting documents will be submitted to the Attorney General for review as to legality and form to the extent form relates to legality. Any person may request notification of the

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

OFFICE MEMORANDUM

DEPARTMENT: BUREAU OF MEDIATION SERVICES
STATE OF MINNESOTA

TO: Rita Desmond
Attorney General's Office

DATE: PHONE: 649-5421

FROM: Paul W. Goldberg, Commissioner
Bureau of Mediation Services

SUBJECT: Rules of the Bureau of Mediation Services Relating to the Minnesota Area Labor-Management Committee Grant Program

Enclosed for your review are the following documents concerning the above-entitled rule:

1. A copy of the proposed rule with a certificate of approval as to form by the revisor of statutes attached.

2. The notice of intent to adopt a rule without a public hearing as mailed.

3. The statement of need and reasonableness in support of the proposed rule complying with part 2010.0700.

4. The affidavit of mailing the notice of intent to adopt a rule without a public hearing.

5. A copy of the notice of intent to adopt the rule without a public hearing as published in the state register.

6. Four copies of the rule as adopted.

7. The findings of fact, conclusions, and order adopting the rule.

9. The declaration of the attorney in the attorney general's office who represents the agency.

(There were no written requests, submissions, or comments on the rule received by the agency. Nor were any requests for notification of submission of the rule to the attorney general received.)

OFFICE MEMORANDUM

DEPARTMENT: BUREAU OF MEDIATION SERVICES
STATE OF MINNESOTA

TO: Rita Desmond
Attorney General's Office

DATE: January 10, 1989 PHONE: 649-5421

FROM: Paul W. Goldberg, Commissioner
Bureau of Mediation Services

SUBJECT: Rules of the Bureau of Mediation Services Relating to the Minnesota Area Labor-Management Committee Grant Program

Enclosed for your review is an order withdrawing the above-entitled rules from review by the Attorney General. We will be resubmitting the rules after the modifications you suggested have been made. Thank you.

PWG:csc

cc: Andrea Kircher

RECEIVED
JAN 12 89
ATTORNEY GENERAL'S OFFICE
515 TRANSPORTATION BLDG
ST. PAUL, MN 55155

RECEIVED
JAN 11 1989
ATTORNEY GENERAL'S OFFICE
1100 BREMER TOWER
7TH PLACE AND MINNESOTA ST.
ST. PAUL, MN 55101

STATE OF MINNESOTA

BUREAU OF MEDIATION SERVICES

In the Matter of the Proposed Adoption of Rules of the State Bureau of Mediation Services Relating to the Minnesota Area Labor-Management Committee Grant Program	ORDER OF WITHDRAWAL OF RULE FROM REVIEW BY ATTORNEY GENERAL

I hereby order that Minnesota Rules, Parts 5520.0100 to 5520.0800 be withdrawn from review by the attorney general this tenth day of January, 1989.

Name [signature]

Title Commissioner

Date January 10, 1989