Governance Policy Review

Board Annual In-Service Training
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Board Training

Review of the Board’s current Governance Policies as they relate to:

1) Trusteeship and the Board’s statutory role under O.R.C. 340 relative to needs assessment and prioritization, development and oversight/evaluation of mental health and addiction services

2) Board member conduct (Policy II-G) relative to Ethics law and conflicts of interest under O.R.C. 340.02

*Approved by Ohio MHAS 4/2/14
Governance Policies

• Compliance with O.R.C. Chapter 340, Ohio’s Ethics Law, and other relevant laws and regulations

• OACBHA Culture of Quality (COQ) Peer Certification Standards

• Carver Policy Governance Principles

• Continuous quality improvement (CQI) philosophy and New Board Leadership (Carolyn Bailey)

• Content—scope and substance of a given policy or Section

Ensured by the Board’s established process for Review, Revision and Amendment of Governance Policies
Policy Governance Primer

- The board governs through policies that establish organizational aims ("ends"); governance style or processes; management limitations or constraints on executive authority; and that define the board/E.D. relationship.

- Thus the set of "rules" that determines the structure and process the Board uses in fulfilling its responsibilities is the set of written policies vs. the "By-Laws" or regulations used in other governance models.

- Governance is based on a set of eleven principles.
A policy is the **value** or **perspective** or **principle**, **standard** or **rule** that underlies action
- Written, explicit
- Include criteria or standards for monitoring

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Written Explicit Policies

- Clarity of direction, priorities, roles and expectations
- Identified areas of concern in prudence and ethics
- Ease of review and modification
- Identification of areas for continuous improvement

Criteria/standards for Monitoring:

- Retrospective
- (purpose to impart) Knowledge about the organizational system
- Used for improving the organizational system
- Method of accountability to the owners
- Evaluative in nature
Policy Governance Primer

- Information to the board consists of three types: *Incidental, Monitoring, and Decision-Making*

- The E.D. has freedom within the constraints of the executive limitations policies in determining the “means” that will be implemented to achieve organizational “ends.”

- The E.D. reports to the full board. The board does not use committees but may create an ad hoc committee or task team on occasion to assist it in specific aspects of its work.
“Nested Sets”: A board establishes control over large issues with broad policies, and subsequently decides how much further to detail them

“Nesting Bowls” Analogy
“Control what you must, not what you can”: Proper depth is determined when a specific board goes as far and no further than the level at which it can accept any reasonable interpretation.

The Board then delegates further definition to the CEO, fully empowering him/her to do so, and accepting any reasonable interpretation of its policies.

Policy Governance Primer
**Policy Governance Primer**

**ENDS** = the unending, subjective (value) quandaries confronting a board; requires a “30,000 feet” vantage point

What result, for what people, at what cost?

**MEANS** = the way that the organization plans to achieve that purpose; the organization’s conduct, activities, methods, and practices

Anything not an END is a MEAN, no matter how important, no matter how closely related it is to goals, strategies, mission, or perceived board work
“MEANS Constraint”: The Board controls staff Means by limiting, rather than prescribing; thus, the board's role is one of boundary-setting—specifying in writing which staff means would be unacceptable, un-approvable, or off limits.

In other words, the board does not dictate staff activities but instead specifies what limits must be observed as the staff determines the best way to get the job done.
Policy Governance Primer

**Board means:**

- Relate to how the board will organize, structure, and conduct itself in order to accomplish its job and are explicitly defined in policies comprising Section II: Governance Process

**Staff means:**

- Relate to the various arrangements and actions needed to accomplish the Ends including services, programs, budgets, personnel, management-operations

- Board “boundaries”—or staff means—are set forth in policies comprising Section I: Executive Limitations and in Section III: Board-Executive Director Relationship
“The Board will approach its task with a style which emphasizes outward vision rather than an internal preoccupation, encouragement of diversity in viewpoints, strategic leadership more than administrative detail, clear distinction of board and staff roles, collective rather than individual decisions, future rather than past or present, and pro-activity rather than reactivity”.

Carver Governance Principles and MHRB Governing Style ("By-Laws") are listed in Policy II-A: Governing Style
Policy II-A: Governing Style

1. Trusteeship—sitting in trust for others is the role of the board

2. Authority resides in the group, not individuals

3. A Board decision is speaking with one voice

4. Speak positively about ENDS/values. Stay out of the means except to set boundaries

5. (in re: policies) Decide the most general issues in each area before deciding the most specific issues in any area. More specificity = More constraint on E.D./Bd. Chair

6. Stop at the level where you can accept any reasonable interpretation of the policy
Policy II-A: Governing Style (cont.)

7. Where the Board (in a given policy) stops talking on AIMS and MEANS, the E.D. talks; on BOARD PROCESS and RELATIONSHIP, the Board Chair

8. Only monitor against criteria previously set

9. A Board’s major work is with AIMS/ENDS determination and linking with the ownership

10. The Board’s job description is its perpetual agenda. An annual agenda drives individual meeting agendas

11. The Board develops a plan for accomplishing its own work
MHRB responsibilities are defined in O.R.C. Chapter 340 and reflected in policy II-B

In general:

“The role of the trustees of the governing board is to make appropriate and proper contributions which lead the MHRB toward the achievement of its responsibilities and desired performance targets and ensure that its objectives are met”.

Policy II-B: Governing Board Membership and Duties
Policy II-B: Governing Board Membership and Duties

Trusteeship

- The Board governs on behalf of the residents of Erie and Ottawa Counties.

- Sitting in trust for others is different than representing a specific viewpoint:
  - Authority resides in the group, not in individuals.
  - Data can be obtained in much better ways than trying to use a few board members’ opinions.
  - The board will use the expertise of individual members to enhance the ability of the board as a body, rather than to substitute their individual values for the group’s values.
Policy II-B: Governing Board Membership and Duties

“As such, the board will allow no officer, individual or committee of the board to usurp this role under this commitment”.

~Toward this end, individual board member responsibilities include:

- Adherence to written explicit governing policies (“By-Laws”)
- Regular and consistent attendance
- Preparation for meetings and participation in discussions (board packets mailed one week prior)
Policy II-B: Governing Board Membership and Duties

- Decision-making: You are on the Board to **Vote**!
  *Once made, a board decision is speaking with one voice regardless of individual support or lack thereof.*

- Proper stewardship of local funds generated by the tax levy

- Advocating for mental health and alcohol and drug addiction services

- Representing the Board in the community (recognizing the inability of any board member or group of board members except for the Chairperson to speak for the board)
Policy II-B: Governing Board Membership and Duties

- Adherence to the legal responsibilities of:

  **Duty of Care**: the “care that an ordinary prudent person would exercise in a like position and under similar circumstances.”

  **Duty of Loyalty**: undivided allegiance when making decisions that impact the organization.

  **Duty of Obedience**: Faithfulness to the organization’s mission.
 Governance Policies

Section II: Governance Process

II-C: Election and Succession of Officers—consistent with concept of “board as a whole”, two elected officers (Chairperson and Vice Chairperson)

II-D: Chairperson’s Role—ensure integrity of board’s process, governing style and principles; authority for policy interpretation and decision-making outside of limitations in policies on Process (Section II) and Relationship (Section III)

II-E: Board Committees—used sparingly, only when other methods have been deemed inadequate, so as to minimally interfere with wholeness of board’s job
Governance Policies

Section II: Governance Process

II-F: Annual Board Planning Cycle—general plan for completing work of the Board, implemented through monthly meeting agendas, to guarantee achievement of its responsibilities, performance targets, and objectives

II-G: Board Members Code of Conduct

II-H: Board Member Orientation Process—formalized training and orientation process to ensure that new appointees are familiarized with role of trustee

II-I: Severability of Policies—general statement regarding conformance with all laws, regulations and requirements
Policy II-G: Board Members Code of Conduct

“The board expects of itself and its members ethical and professional conduct. This commitment includes proper use of authority and appropriate decorum in groups and as individuals when acting as board members.”

Board members must represent un-conflicted loyalty to the interests of the ownership, not to be superseded by loyalties to:

- advocacy or interest groups
- membership on other boards or as staff of other organizations
- personal interest of any board member, including that as a consumer or relative of a consumer of the organization’s services
Policy II-G: Board Members Code of Conduct

- Board members must avoid any conflict of interest with respect to their fiduciary responsibility.

In general, there must be no self-dealing or any conduct of private business or personal services between any board member and the organization.

- Board members must not use their positions to obtain employment in the organization for themselves, family members or close associates.
Policy II-G: Board Members Code of Conduct

- Board members may not attempt to exercise individual authority over the organization or staff except as explicitly set forth in published governance policies.

In the absence of explicit written policies:

- No single board member or small group of board members has authority over the Executive Director or staff

- Individual board members CAN raise concerns or make specific information requests under the regular agenda item at monthly meetings, at which time the Board as a whole may choose to give instruction to E.D.
Policy II-G: Board Members Code of Conduct

- No Board member or group of members can speak for the board in interactions with the public, media or other entities

   Exception—Board Chairperson: may represent the board to outside parties consistent with Policy II-D (i.e. relating Board-stated positions, decisions)

- Board members will make no judgments of performance of the Executive Director outside of performance monitoring and evaluation in relation to explicit criteria as set forth in Policy III-C

- Board members will make no judgments of performance of staff
Policy II-G: Board Members Code of Conduct

Board members will behave in all ways consistent with:

- That affirmed to in the Oath of Office
- Ohio’s Ethics Laws as set forth in Chapter 102 and section 2921.42 of the Ohio Revised Code
- All applicable laws and with published governance policies, including the legal responsibilities of Duty of Care, Duty of Loyalty, and Duty of Obedience
Policy II-G: Board Members Code of Conduct

O.R.C. 340.02 prohibits Board members and employees from engaging in the following dual roles in order to avoid conflicts of interest:

Board members shall not serve as a member of the board or be an employee of any provider with which the board contracts for the provision of services or facilities.

No person shall serve as a board member whose spouse, child, parent, brother, sister, stepparent, stepchild, stepbrother, stepsister, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law serves as a County Commissioner in any of the counties in the board’s district or is a member of the Board of any provider with which the board contracts for the provision of services or facilities.
Policy II-G: Board Members Code of Conduct

Pursuant to Section 340.02 of the Ohio Revised Code, a board member may be removed from office by the appointing authority for neglect of duty, misconduct or malfeasance in office.
Governance Policies
Section I: Executive Limitations

I-A: General Executive Constraint—general statement that E.D. “shall not cause or allow any practice, activity, decision or organizational circumstance which is imprudent, unethical or illegal or fails to continually improve the system” and references all other limitations per additional policies in Section I.

I-B: Staff Treatment—estabishes the umbrella or broad “rules” under which administration creates the many more detailed policies relative to treatment of staff and working conditions

I-C: Budgeting—estabishes limits or conditions the E.D. must follow in the course of budgeting
Governance Policies
Section I: Executive Limitations

I-D: Financial Condition—establishes limits the E.D. must follow relative to the ongoing condition of the organization’s financial health and the relation of actual expenditures to board priorities established in ENDS policies.

I-E: Emergency Executive Succession—states minimum conditions necessary to protect the Board from sudden loss of the E.D.

I-F: Asset Protection—specifies the limits the E.D. must adhere to in ensuring that assets are protected, adequately maintained and not unnecessarily risked.
Governance Policies

Section I: Executive Limitations

I-G: Compensation and Benefits—specifies the limits that the E.D. is accountable to with respect to employment, compensation and benefits to employees, consultants, contract workers and volunteers

I-H: Communication and Counsel to the Board—specifies unacceptable activities related to the providing information and counsel to the Board so as to keep them informed
Governance Policies
Section III: Board-Executive Director Relationship

III-A: Delegation to the Executive Director—specifies that the Board will “establish the broadest policies, delegating implementation and more detailed policy development to the E.D.”

- E.D. is accountable to the full board and only decisions of the full Board are binding
- As the Board’s only employee, all board authority and accountability of staff is delegated through the E.D.
- Boundaries (delegation) between the Board and E.D. domains are established in ENDS and Executive Limitation policies; as such, the Board and its members will respect and support the E.D.’s choices
- While information or assistance may be requested by individual board members, officers, or committees (consistent with policies in Section II), the request may be refused if it requires a material amount of staff time or funds or is disruptive.
Governance Policies
Section III: Board-Executive Director Relationship

III-B: Executive Director Job Description—specifies that E.D. performance is synonymous with organizational performance and that job contributions can be stated as performance in the accomplishment of provisions in ENDS policies and operation within the boundaries established in Executive Limitations policies.

III-C: Monitoring Executive Performance—ties monitoring of the degree to which aforementioned Board policies are being fulfilled as monitoring of executive performance, stating that any evaluation of the E.D. may be derived only from these monitoring data.
Governance Policies
Section IV: ENDS

Policy IV-A: Principles, Values and Organizational Purpose

“Erie-Ottawa will have a community behavioral health care system that is responsive, flexible and outcome-oriented and is based on the changing needs of the communities and the persons experiencing mental health, alcohol and/or drug addiction problems.”

Defines the underlying principles and beliefs supporting the determination of local priorities and the values that serve as organizational purpose

• principles and beliefs = environmental, political and fiscal constraints

• values = affirmation of population and service priorities that serve as the core focus of the system of care
Governance Policies
Section IV: ENDS

1. The Board supports the Recovery process for persons suffering from Serious Mental Disorders and will foster a recovery-oriented system of services and supports; thus,
   Persons with Serious Mental Illness (SMI) and Serious and Persistent Mental Illness (SPMI) will move toward Recovery.

2. The Board will place emphasis on the provision of prevention and early intervention services; thus,
   The general public will understand the importance of prevention and early intervention relative to behavioral health.

3. The Board will seek a balance between the availability of a basic continuum of care and Evidence-Based Programs, ensuring effective service delivery at all levels; thus,
   Clients of the public behavioral health system will benefit from effective programming across all levels of the continuum of care.
Governance Policies
Section IV: ENDS

4. The Board will place emphasis on service delivery within the family context and will target service delivery and program development to youth and families over other practices; thus, Youth and their families will benefit from targeted, family-focused interventions and treatment.

5. Clients of the public behavioral health system will receive individualized treatment based on their mental illness and/or substance use disorder.

6. The Board recognizes the importance of consumer choice among clinicians, service providers and treatment options and will incorporate choice in the system of care; thus, Consumers will have choice among clinicians, service providers and treatment options.
7. The Board supports the provision of targeted mental health and alcohol and drug treatment and support services in conjunction with the Conestoga Program Community Development Collaboration; thus,

Residents of a Conestoga Program neighborhood will receive targeted mental health and alcohol/drug treatment and support.

8. The Board will place a priority on establishing stable funding for current and new or emerging Local, State and Federal funding sources; thus,

Residents of Erie and Ottawa Counties will benefit from a stable and diversified economic base supporting local mental health and alcohol/drug services.
The “Golden Thread”
Continuous Quality Improvement (CQI) Planning

The Board’s ENDS—beliefs, principles and values—are translated into specific service and population funding priorities in the General System Program/Budget for a given fiscal year.

At the same time, they are consistent with the identified priorities and goals in the applicable Community Plan.

(Fiscal & Political Constraints)

+ (Local, State & Federal priorities) =

General System Program/Budget + Priorities/Goals in Community Plan
In turn, these system-level funding and service priorities are translated into individual agency allocations and program requirements through the non-Medicaid contracting process.

This is directly related to provisions in Board governance policies (I-C, I-D) related to the E.D. not allowing budgeting or actual allocations to deviate materially from board priorities established in ENDS policies.

As such, each agency and provider contract serves as a piece of the “whole” as a means of implementing system values.
“Sunshine Laws” 101

Refer collectively to Ohio’s Public Records and Open Meetings laws

The Public Records Act provides citizens with steps to take in order to request records from any public office in Ohio while protecting certain specific types of records from release. It also establishes a legal process to enforce compliance when a requester feels that a public office has failed to satisfy its public records obligations.

The Open Meetings Act requires public bodies in Ohio to conduct all public business in open meetings that the public may attend and observe. This means that if a public body is meeting to discuss and vote on or otherwise decide public business, the meeting must be open to the public.

-- A meeting is a prearranged gathering of a majority of the members of a public body for the purpose of discussing public business.

-- Must give advance notice to the public and sometimes say what will be discussed.
Open Meetings Act requirements (continued):
-- A public body must keep full and accurate minutes of its meetings, but those minutes do not have to be an exact transcript of every word said. Minutes must be promptly prepared, filed and made available for public inspection

Executive sessions are initiated when a member makes a motion for a closed-door session and the public body votes on it
-- Attended by only members of the public body and persons they invite
-- May be held for only a few specific purposes (see checklist)
-- No votes may be taken or decisions made on the matter(s) discussed during the executive session; have to reconvene their meeting and then openly conduct a vote.
Bailey Associates. *Quality Begins in the Board Room: An Introduction to a New System for Board Leadership Continually Improving Board and Organizational Effectiveness.* June 2013. (training packet)


