



Workforce Innovation and Opportunity Act (WIOA) Title I Policy

Subject: Memorandum of Understanding and Cost Sharing Policy

Number/Reference: [WIOA 121](#)

Effective Date: [6/9/2017](#)

Revision # [Original](#)

Overview

A critical component of the successful implementation of the State Plan vision is a well-articulated Memorandum of Understanding (MOU) governing the one-stop system in each Local Workforce Development Area (Local Area). The law envisions that Local Workforce Development Boards (WDBs) will act as both the convener of the MOU negotiations as well as the shaper of how one-stop services are delivered within their Local Area.

Policy Statement

Local Workforce Development Boards (WDBs) must enter into a Memorandum of Understanding (MOU) as described in this policy between the Local WDB, the Chief Elected Official(s) (CEO) and all of the Required One-Stop Partners (WIOA sec. 121(b)(1)) in the Local Workforce Development Area (Local Area). The MOU must outline the operations of the one-stop delivery system and provide for cost sharing among the Required One-Stop Partner workforce programs. The MOU must be signed by the Local WDB, all Required One-Stop Partners, and the CEO(s) and must include, at a minimum (WIOA sec. 121(c)(2)):

- A description of the services to be provided through the one-stop delivery system;
- A plan for how costs of the services and the operating costs of the system will be funded;
- Methods of referral to/from/between core programs;
- Methods to ensure the needs of individuals with barriers are met; and
- The duration of the MOU, methods for amendment, and assurances for review every three years.

Initial MOU Development Timeline

While developing MOUs, Local WDBs must remain aware of key deadlines included below:

- February 10, 2017: Local WDBs email progress report/timeline to hecc_owi_workforce_policy@oregon.gov
- April 1, 2017: Local WDBs email progress report/timeline to hecc_owi_workforce_policy@oregon.gov
- April 30, 2017: Local WDBs that do not anticipate reaching consensus on infrastructure costs alert OWIB if state funding mechanism needs to be triggered and submit supporting documentation.
- June 16, 2017 Governor and OWIB notify Local WDBs of WSO Center Partner contributions under state funding mechanism (if triggered).
- June 30, 2017: Local WDBs upload electronic copies of completed MOUs to the state's WIOA website.

Submission of Signed MOUs

At the end of the initial MOU development process, the completed MOU(s) must be signed by an authorized representative of the Local WDB, CEO, and all Required One-Stop Partners. An electronic

copy must be uploaded to the state's WIOA website (<http://oregonlocalplanning.weebly.com/mous-and-rsas.html>) no later than 5:00 p.m. on June 30, 2017. Whenever subsequent changes or revisions are made after June 30, 2017 to a Local Area's MOU(s), a revised electronic copy of the signed MOU(s) must be uploaded to the state's WIOA website.

One-Stop Centers and the One-Stop Delivery System

One-Stop Centers and the one-stop delivery system are defined in the One-Stop Certification Policy. A Local Area's one-stop delivery system may be made up of a combination of different types of One-Stop Centers (e.g. comprehensive, affiliated). All One-Stop Centers in a Local Area, regardless of type, must be included in a MOU.

Access to Services at One-Stop Centers

While WIOA allows for various types of physical locations, there are specific minimums that apply only to comprehensive One-Stop Centers. The Workforce Innovation and Opportunity Act (WIOA) requires that each Local Area in Oregon must have at least one comprehensive One-Stop Center where jobseeker and employer customers can access programs, services, and activities of *all required one-stop partners*. 20 CFR § 678.400 lists the Required One-Stop Partners, and 20 CFR § 678.305 describes what types of programs, services, and activities a comprehensive One-Stop Center must provide access to, and further defines the requirements regarding the access to partner programs and services that must be available.

Attachment A identifies Required One-Stop Partners and includes additional spaces for Local Area-specific information. Attachment B provides further definition of required access. Local WDBs should use this table when determining the location, layout, and mix of services for the comprehensive One-Stop Center(s) in their Local Area.

I. Development of a Memorandum of Understanding

Each MOU should act as a functional tool as well as a visionary plan for how the Local WDB and Required One-Stop Partners will work together to create a unified service delivery system that best meets the needs of their shared customers. As such, MOUs must be negotiated amongst all Required One-Stop Partners. Local WDBs are encouraged to develop a single "umbrella" MOU that addresses overarching issues for the Local WDB, CEO, and Required One-Stop Partners as they relate to the local One-Stop Center system. Alternatively, they may choose to enter into a separate MOU for each One-Stop Center.

In Oregon, separate MOUs with individual partners or partner groups are prohibited. MOU development has two parts:

- **Part I: Service Coordination**
For Part I, Local WDBs are expected to work with all of the Required One-Stop Partners in their Local Area to reach agreement regarding the operations of the local one-stop delivery system as it relates to shared services and customers.
- **Part II: Shared Resources and Costs**
For Part II, Local WDBs should build upon the agreements established in Part I and determine how to best support their established service delivery model through the sharing of resources and costs.

The tables on Attachment C outline the minimum content for Part I and Part II of the MOU development process. In addition, a Sample MOU can be found at [Sample MOU and Infrastructure Costs Toolkit](#). The Sample MOU, developed for the Innovation and Opportunity Network (ION), is intended to be a technical assistance tool rather than a required template. As such, it should be used in whatever way best fits the needs of the Local WDB.

Establishing a One-Stop Center(s) Budget

Local WDBs are encouraged to develop a combined operating budget clearly identifying infrastructure and other shared costs for the One-Stop Center network in the Local Area to set the stage cost sharing. However, separate budgets can be created for infrastructure and other shared costs and for each One-Stop Center if desired. Whichever option is selected, all Required One-Stop Partners must be a party to the negotiations and agree to the budget and cost allocation methodology. Budgets and allocated costs must also meet the standards of proportionate use and relative benefit and comply with federal cost principles. Budgets and cost allocation must be reviewed annually and updated if there are substantial changes.

II. Infrastructure Costs

Under WIOA, all Required One-Stop Partners must use a portion of the funds available for their program and activities to help maintain the one-stop delivery system, including proportional payment of the infrastructure costs of the One-Stop Centers (20 CFR § 678.700). The amount of funds each Required One-Stop Partner is required to contribute must be based on their proportionate use of the One-Stop Center(s). When determining each partner's proportionate share, Local WDBs must remain in compliance with the federal statute authorizing each partner's program as well as the Uniform Guidance (2 CFR 200). An infrastructure funding agreement (IFA) negotiated by the Local WDBs with all Required One-Stop Partners for each One-Stop Center or network of One-Stop Centers is the local funding mechanism (20 CFR § 678.715).

The only exception is that Native American programs are not required to contribute to infrastructure funding but, as a Required One-Stop Partner, they are encouraged to contribute. Any agreement regarding the contribution or non-contribution to infrastructure costs by Native American programs must still be recorded in the signed MOU (WIOA Section 121(h)(2)(D)(iv)). It is important to note that if the Native American program partner chooses not to contribute to infrastructure costs and a One-Stop Center identifies infrastructure costs that are allocable solely to the Native American program, those costs cannot be allocated to the remaining partners and therefore must either be removed from the center budget or paid for by an alternate source of funding.

Reconciliation of One-Stop Center Partner Contributions

The Local WDB is responsible for ensuring that all of the One-Stop Center infrastructure costs are paid according to the provisions of their signed MOUs. The estimated proportionate share of costs for each partner are based on budgeted expectations. Until the actual costs are known, and the usage and benefits are calculated, each partner's true proportionate share of costs will be unknown. Therefore, all One-Stop Center Partner contributions, regardless of the type, must be reconciled on a regular basis (e.g. monthly, quarterly), comparing expenses incurred to relative benefits received. The reconciliation

process is necessary in order to ensure that the proportionate share each partner program is contributing remains consistent with the cost methodology, is up to date, and in compliance with the terms of the MOU. The MOU must also identify who will be responsible for this regular reconciliation.

Attachment D provides more detail on developing IFA Budgets and Cost Allocation Methodology.

State Infrastructure Funding Mechanism

One of the hallmarks of WIOA is an increased emphasis on Local WDBs as conveners who are responsible for the MOU negotiation process. Initiating negotiations via a local funding mechanism allows for decision making to be kept at the local level. However, if a Local WDB is unable to complete an IFA with all of its Required One-Stop Partners, then the state funding mechanism will be triggered and the Governor and OWIB must then determine the required contributions of each One-Stop Center Partner.

Oregon's goal is to provide the support and guidance necessary to help all Local Areas reach agreement under the local mechanism rather than under the state funding mechanism. Local WDBs are urged to seek guidance and support from the state throughout the negotiation process to help prevent the triggering of the state funding mechanism.

If a Local WDB does not believe they will be able to come to an agreement regarding joint infrastructure costs with any of their Required One-Stop Partners by June 30, 2017, they must notify the State Board no later than April 1, 2017. Once the notification has been received, the Governor will initiate a process to determine each Required One-Stop Partner's contribution to infrastructure costs in the Local Area for that program year under the state funding mechanism. As part of their formal notification, Local WDBs will be required to submit information including, but not limited to, the following:

- IFA budget details (If a budget has been approved and accepted by Local WDB and all Required One-Stop Partners, the Governor and the OWIB may accept this budget).
- Local WDB Strategic Plan (Local Plan).
- The cost allocation method or methods proposed by the partners.
- The amount of total partner funds included.
- The type of each partner's funds (cash, non-cash, third-party in-kind).
- Any agreements made related to the proposed MOU.
- Summary of the meetings held to discuss the IFA and MOU (including dates, materials, and a list of participating partners).
- Identification of which partners have and have not agreed upon the budget and cost allocation methodology.
- A summary of technical assistance requested and received from the state.

The state will release supplementary guidance with further information on the state funding mechanism and the appeal process at a later date.

III. Other Shared Costs

In addition to jointly funding infrastructure costs, Required One-Stop Partners must use a portion of funds made available under their authorizing federal statute (or fairly evaluated in-kind contributions) to pay the

additional costs relating to the operation of the One-Stop Center delivery system. These costs may be shared through cash, non-cash, or third-party in-kind contributions (20 CFR § 678.760). The other system costs budget must include applicable career services, and may include any other shared services that are authorized for and commonly provided through the Required One-Stop Partner programs to any individual, such as initial intake, assessment of needs, appraisal of basic skills, identification of appropriate services to meet such needs, referrals to other Required One-Stop Partners, and business services. Shared operating costs may also include shared costs related to the Local WDB's functions.

The requirements presented in Reconciliation of One-Stop Center Partner Contributions (above) also applies to other shared costs.

Attachment D provides more detail on determining Other Shared/System Costs.

Action(s)

Each Local WDB will ensure that this policy is brought to the attention of all Required One-Stop Partners and will convene all Required One-Stop Partners for good-faith negotiations of a Local Area MOU(s) as described in this policy.

Contact

hecc_owi_workforce_policy@oregon.gov

Attachments

- Attachment A – Required One-Stop Partner Programs, Services, and Activities
- Attachment B – Access to Required Partner Programs and Services
- Attachment C – MOU Development – Parts I & II
- Attachment D – Infrastructure Funding Agreements, Cost Allocation Methodology, Other Shared Costs
- Attachment E – References