

COUNCIL OF THE COUNTY OF MAUI

**POLICY, ECONOMIC DEVELOPMENT,
AND AGRICULTURE COMMITTEE**

December 11, 2018

**Committee
Report No. _____**

Honorable Chair and Members
of the County Council
County of Maui
Wailuku, Maui, Hawaii

Chair and Members:

Your Policy, Economic Development, and Agriculture Committee, having met on November 20, 2018, makes reference to County Communication 18-399, from the Economic Development Director, transmitting a proposed bill entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE MAUI COUNTY WORKFORCE DEVELOPMENT BOARD AND THE AMERICAN JOB CENTER NETWORK PARTNERS."

The purpose of the proposed bill is to authorize the Mayor to enter into an intergovernmental agreement with the Maui County Workforce Development Board and the American Job Center Network Partners, to provide services described in the Memorandum of Understanding ("MOU"), attached as Exhibit "1." The MOU confirms the parties' understanding regarding the operation and management of the American Job Center ("AJC") in the County of Maui, consistent with the Workforce Innovation and Opportunity Act ("WIOA").

Your Committee notes the United States Department of Labor and Education and the United States Department of Health and Human Services implemented the WIOA to strengthen and improve the public workforce systems, help people find high-quality jobs and careers, and help employers hire and retain skilled workers. The WIOA requires the establishment of a local AJC to provide one-stop delivery of online and in-person workforce development services as part of a single network of publicly-funded services. The management of the AJC network is the shared responsibility of states, local workforce development boards, elected officials, program partners, and service providers.

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The WIOA requires contribution by all one-stop partner programs to the infrastructure costs and certain additional costs of the one-stop delivery system, which imposes a financial obligation on the County of Maui.

Your Committee further notes the Mayor shall not enter into any intergovernmental agreement which places a financial obligation upon the County or any department or agency thereof, unless authorized by ordinance pursuant to Section 2.20.020, Maui County Code.

The Economic Development Director said in 2014, the WIOA, which replaced the previous Workforce Investment Act, mandated that every community in the United States start an AJC to work with unemployed individuals, including youth and veterans. Currently, unemployed individuals in the County are required to seek employment-related services from partner agencies in different locations.

Under the WIOA, each partner agency was allotted Federal funds to help defray the costs of establishing an AJC; however, because of Maui County's low unemployment rate, funds have decreased. The Economic Development Director confirmed the County receives approximately \$400,000 in Federal funds through the WIOA.

The Economic Development Director said the Maui County Business Resource Center ("Business Center") is a suitable site for a one-stop facility due to its central location, additional office space, training room, and existing County staff. As part of the AJC, partner agencies would help to defray the County's costs for common area maintenance and rental fees.

The Executive Director of the Workforce Development Board provided a flow chart outlining WIOA funding from the Federal, State, and local levels, and programs included within the AJC. He said the WIOA mandates that partner agencies participate and provide monetary input to the AJC.

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Your Committee noted that 14 out of 16 partner agencies have currently signed the MOU. The Executive Director is working on getting the two remaining partners in agreement.

Your Committee further noted the one-stop AJC model will allow an individual seeking employment-related services to visit any AJC center nationwide and receive the same services.

Your Committee voted 5-0 to recommend passage of the proposed bill on first reading and filing of the communication. Committee Chair Sugimura and members Carroll, Hokama, King, and White voted "aye." Committee Vice-Chair Crivello and members Atay, Cochran, and Guzman were excused.

Your Policy, Economic Development, and Agriculture Committee **RECOMMENDS** the following:

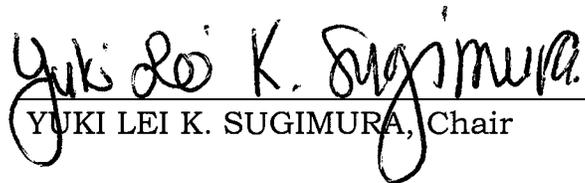
1. That Bill _____ (2018), attached hereto, entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE MAUI COUNTY WORKFORCE DEVELOPMENT BOARD AND THE AMERICAN JOB CENTER NETWORK PARTNERS," be PASSED ON FIRST READING and be ORDERED TO PRINT; and
2. That County Communication 18-399 be FILED.

COUNCIL OF THE COUNTY OF MAUI
**POLICY, ECONOMIC DEVELOPMENT,
AND AGRICULTURE COMMITTEE**

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**Committee
Report No.** _____

This report is submitted in accordance with Rule 8 of the Rules of the Council.



YUKI LEI K. SUGIMURA, Chair

pea:cr:18094aa:ske

ORDINANCE NO. _____

BILL NO. _____ (2018)

A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE MAUI COUNTY WORKFORCE DEVELOPMENT BOARD AND THE AMERICAN JOB CENTER NETWORK PARTNERS

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. The U.S. Departments of Labor, Education, and Health and Human Services implemented the Workforce Innovation and Opportunity Act (WIOA) designed to strengthen and improve the public workforce systems, help people find high-quality jobs and careers, and help employers hire and retain skilled workers. The WIOA requires establishment of a local American Job Center to provide one-stop delivery of on-line and in-person workforce development services as part of a single network of publicly-funded services. Management of the American Job Center network is the shared responsibility of States, local workforce development boards, elected officials, program partners, and service providers.

A Memorandum of Understanding ("MOU"), attached hereto as Exhibit "1", developed by the Maui County Workforce Development Board (MCWDB), describes the services to be provided, infrastructure and additional costs, funding, budget, the duration of the agreement, the partners involved, and other elements related to the operation of the one-stop delivery system in a collaborative and good-faith approach designed to carry out the spirit and intent of WIOA, and ensure the successful integration and implementation of partner programs in the local American Job Center. All partners must sign the local MOU in order to fulfill the obligations of the WIOA.

The WIOA requires contribution by all one-stop partner programs to the infrastructure costs and certain additional costs of the one-stop delivery system, which imposes a financial obligation on the County of Maui.

Section 2.20.020, Maui County Code, provides that, unless authorized by ordinance, the Mayor shall not enter into any intergovernmental agreement or any amendment thereto which places a financial obligation upon the County or any department or agency thereof.

SECTION 2. Council Authorization. The Council hereby authorizes the Mayor, on behalf of the County of Maui, to enter into the Memorandum of Understanding with the partners identified therein, as well as all updates and amendments thereto, and to accept grant funds awarded to carry out the obligations in the agreement.

SECTION 3. Effective date. This ordinance shall take effect upon its approval.

APPROVED AS TO FORM
AND LEGALITY:



JERRIE L. SHEPPARD
Deputy Corporation Counsel
County of Maui

2018-1296
2018-**-** Proposed Ordinance w/Exhibit 1

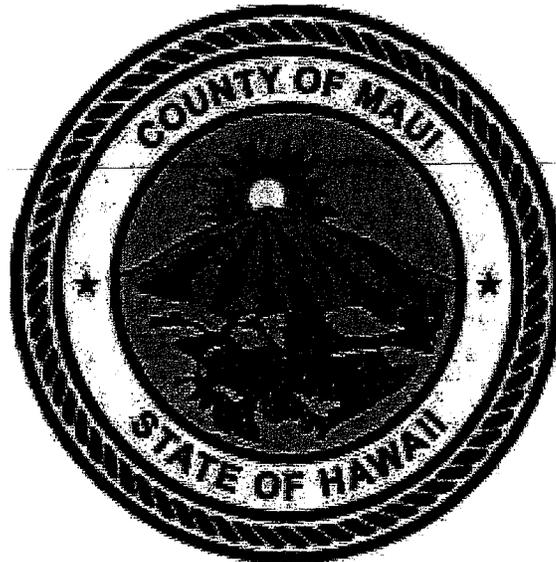
County of Maui

WORKFORCE INNOVATION AND OPPORTUNITY ACT

MEMORANDUM OF UNDERSTANDING

**for Partners of the American Job
Center Network**

2018 - 2020



Maui County Local Workforce Development Area

EXHIBIT " 1 "

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Legal Authority

The Workforce Innovation and Opportunity Act (WIOA) sec. 121(c)(1) requires the Local Board, with the agreement of the Chief Elected Official, to develop and enter into a Memorandum of Understanding (MOU) between the Local Board and the One-Stop Partners, consistent with WIOA Sec. 121(c)(2), concerning the operation of the one-stop delivery system in a local area. This requirement is further described in the Workforce Innovation and Opportunity Act; Joint Rule for Unified an Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions: Final Rule at 20 CFR 678.500, 34 CFR 361.500, and 34 CFR 463.500, and in Federal guidance.

Additionally, the sharing and allocation of infrastructure costs among one-stop partners is governed by WIOA sec. 121(h), its implementing regulations, and the Federal Cost Principles contained in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) at 2 CFR part 200.

Maui County American Job Center Network

WORKFORCE INNOVATION AND OPPORTUNITY ACT

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU) is executed between the Chief Elected Official, Mayor of Maui County (Mayor), the Maui County Workforce Development Board (MCWDB), and the American Job Center Network Partners (“Partners”). They are collectively referred to as the “Parties” to this MOU.

This MOU is developed to confirm the understanding of the Parties regarding the operation and management of the American Job Center (AJC) in the County of Maui. MCWDB provides local oversight of workforce programming for the Local Workforce Development Area.

MCWDB, with the agreement of the Mayor, has selected the County of Maui as the One-stop Operator (OSO) for the Local Workforce Development Area, as further outlined in the One-stop Operator section.

The One-Stop Operating Budget and Infrastructure Funding Agreement establish a financial plan, including terms and conditions, to fund the services and operating costs of the local AJC Network. The Parties to this MOU agree that joint funding is an essential foundation for an integrated service delivery system and necessary to maintain the Maui County AJC Network.

All Parties to this MOU recognize the Partnership consists of various levels of government, not-for-profit, and for-profit entities. No Partner assumes any responsibility for any other Party, government or non-government, for the consequences of any act or omission of any party or third party.

The Vision, Mission, System Structure, Terms and Conditions, One-Stop Operating Budget, and Infrastructure Funding Agreement outlined herein reflect the commitment of the Parties to their job seeker and business customers, as well as to the overall community of Maui County.

INTRODUCTION

Changing labor markets and advances in technology have revolutionized how businesses find talent and jobseekers look for work. Social media, online talent platforms, and professional networking sites are evolving rapidly, perpetuating shifts in labor market dynamics. Additionally, rising consumer expectations and global competition have transformed how business is conducted in most industries. Employers of all sizes must now move faster and more efficiently in order to maintain their competitiveness. This makes it imperative for the public workforce system to continuously adapt and reframe strategies and policies designed to support employers and job seekers.

MCWDB seeks to establish a system that stands in stark contrast to the traditional transaction-based model, whereby each agency operates its own business and job seeker services functions, moving participants from place to place in order to seek assistance. Instead, the goal is to create integrated locations and a unified structure and process of proactive, transparent, and effective job seeker and business services, orchestrated by a seamless collaboration of talent development and support agencies.

The purpose of this MOU is to define the parameters within which education, workforce, economic development, and other Partner programs and entities operating in Maui County will create a seamless, customer-focused AJC Network that aligns service delivery across the board and enhances access to program services. By realizing one-stop opportunities together, partners are able to build community-benefiting bridges rather than silos of programmatic isolation. These partnerships will reduce administrative burden and costs and increase customer access and performance outcomes.

Vision

All employers have competitively-skilled employees, and all residents have sustainable employment and self-sufficiency.

Mission

Connect businesses and community members to support individual and organizational growth and capacity, improve career and employment opportunities, and provide high-quality services to promote economic prosperity and stability within the County of Maui.

SYSTEM STRUCTURE

The County of Maui has two American Job Centers, also known as one-stop centers, which are designed to provide a full range of assistance to job seekers and businesses under a single roof. Established under the Workforce Investment Act of 1998 and continued by the Workforce Innovation and Opportunity Act of 2014, the centers offer an array of services designed to match talent with opportunities.



PARTNERS

| Partner/Program | Partner Organization | Authority/Title/Category | Representative/Official | Contact Information |
|--|---|--|--|---|
| WIOA Adult Program | Dept. of Labor and Industrial Relations Workforce Development Division | WIOA title I Adult Program | Elaine Young Administrator | 830 Punchbowl Street Honolulu, HI 96813 808-586-8812 elaine.n.young@hawaii.gov |
| Adult Education | McKinley Community School for Adults – Hawaii Department of Education | WIOA title II Adult Education and Family Literacy Act (AEFLA) program | Dr. Christina Kishimoto State Superintendent | P.O. Box 2360 Honolulu, HI 96804 808-586-3313 christina_kishimoto@notes.k12.hi.us |
| Community College | University of Hawaii - Community Colleges | Career and Technical Education (CTE) programs at the postsecondary level, authorized under the Carl D. Perkins Career and Technical Education Act of 2006 (10 U.S.C. 2301 et seq.) | Peter Quigley Associate Vice President for Academic Affairs | 2327 Dole Street Honolulu, HI 96822 808-956-3870 quigleyp@hawaii.edu |
| Community Services Block Grant (CSBG) | Maui Economic Opportunity, Inc. | Employment and training activities carried out under the Community Services Block Grant Act (CSBG) (42 U.S.C. 9901 et seq.) | Debbie Cabebe Chief Executive Officer | 99 Mahalani Street Wailuku, HI 96793 808-249-2990 debbie.cabebe@meoinc.org |
| WIOA Dislocated Worker Program | Dept. of Labor and Industrial Relations Workforce Development Division | WIOA title I Dislocated Worker Program | Elaine Young Administrator | 830 Punchbowl Street Honolulu, HI 96813 808-586-8812 elaine.n.young@hawaii.gov |
| Alu Like Employment & Training Program | Alu Like, Inc. | Indian and Native American Programs (INA), WIOA sec. 166, 29 USC 3221 | M Winona (Cabral) Whitman Statewide Department Director, Employment and Training | 2969 Mapunapuna Place, Suite 200 Honolulu, HI 96819 808-535-6761 wiwhitm@alulike.org |
| Job Corps | Maui Satellite Job Corps Center | Job Corps, WIOA title I, Subtitle C | Marshall Norman Site Manager | 500 Ike Dr. Makawao, HI 96768 808-579-6506 norman.marshall@jobcorps.org |

WIOA – AJC MOU 2018

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|---|--|--|---|---|
| Jobs for Veterans State Grants (JVSG) | Dept. of Labor and Industrial Relations Workforce Development Division | Jobs for Veterans State Grants (JVSG), authorized under chapter 41 of title 38, U.S.C. | Elaine Young Administrator | 830 Punchbowl Street Honolulu, HI 96813 808-586-8812 elaine.n.young@hawaii.gov |
| National Farmworker Jobs Program (NFJP) | Maui Economic Opportunity, Inc. | National Farmworker Jobs Program /Migrant & Seasonal Farmworker Programs WIOA Sec. 167 | Debbie Cabebe Chief Executive Officer | 99 Mahalani Street Wailuku, HI 96793 808-249-2990 debbie.cabebe@meoinc.org |
| Temporary Assistance for Needy Families (TANF) | Department of Human Services | Temporary Assistance for Needy Families (TANF), authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) | Pankaj Bhanot Director | P.O. Box 339 Honolulu, HI 96809-0339 (808) 586-4997 pbhanot@dhs.hawaii.gov |
| Senior Community Service Employment Program (SCSEP) | Maui Economic Opportunity | Senior Community Service Employment Program (SCSEP) authorized under title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.) | Debbie Cabebe Chief Executive Officer | 99 Mahalani St. Wailuku, HI 96793 (808)249-2990 debbie.cabebe@meoinc.org |
| Division of Vocational Rehabilitation | Department of Human Services, Division of Vocational Rehabilitation | State Vocational Rehabilitation (VR) program, authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.), as amended by title IV of WIOA | Maureen Bates Administrator | 1010 Richards Street, Room 217 Honolulu, HI 96813 808-586-9740 mbates@dhs.hawaii.gov |
| Unemployment Insurance (UI) | Dept. of Labor and Industrial Relations Unemployment Insurance Division | Unemployment Insurance (UI) programs under state unemployment compensation laws | Linda Uesato Administrator | 830 Punchbowl Street Room 325 Honolulu, HI 96813 808-586-9069 linda.yuesato@hawaii.gov |
| Wagner-Peyser Employment Services (ES) | Dept. of Labor and Industrial Relations Workforce Development Division | Wagner-Peyser Employment Services (ES) program, authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), as amended by title III of WIOA, also providing the state's public labor exchange | Elaine Young Administrator | 830 Punchbowl Street Honolulu, HI 96813 808-586-8812 elaine.n.young@hawaii.gov |
| WIOA Youth Program | University of Hawaii, Maui College | WIOA title I Youth Program | Dr. Lui Hokoana Chancellor | 310 W Kaahumanu Ave. Kahului, HI 96732 808-984-3700 lhokoana@hawaii.edu |

PARTNER SERVICES TO BE PROVIDED THROUGH THE AJC

At a minimum, Partners will make the below services available, as applicable to the program, consistent with and coordinated via the AJC network system. Additional services may be provided on a case by case basis and with the approval of MCWDB and the Mayor of the County of Maui.

BUSINESS SERVICES

| | | |
|--|---|---|
| Serve as a single point of contact for businesses, responding to all requests in a timely manner | Provide information and services related to Unemployment Insurance taxes and claims | Assist with disability and communication accommodations, including job coaches |
| Conduct outreach regarding the local workforce system's services and products | Conduct on-site Rapid Response activities regarding closures and downsizings | Develop On-the-Job Training (OJT) contracts, incumbent worker contracts, or pay-for-performance contract strategies |
| Provide access to labor market information | Provide customized recruitment and job applicant screening, assessment, and referral services | Provide employer and industry cluster-driven Occupational Skills Training through Individual Training Accounts with eligible training providers |
| Assist with the interpretation of labor market information | Conduct job fairs | Develop customized training opportunities to meet specific employer and/or industry cluster needs |
| Use of one-stop center facilities for recruiting and interviewing job applicants | Consult on human resources issues | Coordinate with employers to develop and implement layoff aversion strategies |
| Post job vacancies in the state labor exchange system and take and fill job orders | Provide information regarding disability awareness issues | Provide incumbent worker upgrade training through various modalities |
| Provide information regarding workforce development initiatives and programs | Provide information regarding assistive technology and communication accommodations | Develop, convene, or implement industry or sector partnerships |

JOB SEEKER SERVICES

| <u>Basic Career Services:</u> | <u>Individualized Career Services:</u> | <u>Training Services:</u> |
|---|--|---|
| Outreach, intake, and orientation to the information, services, programs, tools and resources available through the local workforce system | Comprehensive and specialized assessments of skill levels and service needs | Occupational skills training through Individual Training Accounts (ITAs) |
| Initial assessments of skill level(s), aptitudes, abilities, and supportive service needs | Development of an individual employability development plan to identify employment goals, appropriate achievement objectives, and appropriate combination of services for the customer to achieve the employment goals | Adult education and literacy activities, including English language acquisition (ELA), provided in combination with the training services described above |
| In and out of area job search and placement assistance, including provision of information on in-demand industry sectors and occupations and non-traditional employment | Referral to training services | On-the-Job training (OJT) |
| Access to employment opportunity and labor market information | Group counseling | Incumbent worker training |
| Performance information and program costs for eligible providers of training, education, and workforce services | Literacy activities related to work readiness | Programs that combine workplace training with related instruction which may include cooperative education |
| Information on performance of the local workforce system | Individual counseling and career planning | Training programs operated by the private sector |
| Information on the availability of supportive services and referral to such, as appropriate | Case management for customers seeking training services; individual in and out of area job search, referral and placement assistance | Skill upgrading and retraining |
| Information and meaningful assistance on Unemployment Insurance claim filing | Work experience, transitional jobs, registered apprenticeships, and internships | Entrepreneurial training |
| Determination of potential eligibility for workforce Partner services, programs, and referral(s) | Workforce preparation services (e.g., development of learning skills, punctuality, communication skills, interviewing skills, personal maintenance, literacy skills, financial literacy skills, and professional conduct) to prepare individuals for unsubsidized employment or training | Customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training |
| Information and assistance in applying for financial aid for training and education programs not provided under WIOA | Post-employment follow-up services and support. (*Not an individualized career service, but listed here for completeness.) | Other training services as determined by the workforce partner's governing rules |

YOUTH SERVICES

| | |
|--|--|
| <p>Tutoring, study skills training, instruction, and evidence-based dropout prevention and recovery strategies that lead to completion of the requirements for a secondary school diploma or its recognized equivalent (including a recognized certificate of attendance or similar document for individuals with disabilities) or for a recognized postsecondary credential</p> | <p>Alternative secondary school services, or dropout recovery services, as appropriate</p> |
| <p>Paid and unpaid work experiences that have as a component academic and occupational education</p> | <p>Occupational skill training, which shall include priority consideration for training programs that lead to recognized postsecondary credentials that are aligned with in-demand industry sectors or occupations within the local area</p> |
| <p>Summer employment opportunities and other employment opportunities available throughout the school year, pre-apprenticeship programs, internships and job shadowing, and on-the-job training opportunities</p> | <p>Education offered concurrently with, and in the same context as, workforce preparation activities and training for a specific occupation or occupational cluster</p> |
| <p>Leadership development opportunities, which may include community service and peer-centered activities encouraging responsibility and other positive social and civic behaviors, as appropriate</p> | <p>Supportive services</p> |
| <p>Adult mentoring for the period of participation and a subsequent period, for a total of not less than 12 months</p> | <p>Follow-up services for not less than 12 months after the completion of participation, as appropriate</p> |
| <p>Comprehensive guidance and counseling, which may include drug and alcohol abuse counseling and referral, as appropriate</p> | <p>Financial literacy education</p> |
| <p>Entrepreneurial skills training</p> | <p>Services that provide labor market and employment information about in-demand industry sectors or occupations available in the local area, such as career awareness, career counseling, and career exploration services</p> |
| <p>Activities that help youth prepare for and transition to postsecondary education and training</p> | |

METHODS OF REFERRAL

Partners agree to develop, implement, and modify the processes, procedures, and forms necessary for the seamless referral of AJC customers. Parties agree to cross-train and/or cross-inform each other's staff on their policies, procedures and services. As appropriate, site visits, excursions, and joint training shall be available for appropriate staff.

The primary principle of the referral system is to provide integrated and seamless delivery of service to workers, job seekers, and employers. In order to facilitate such a system, Partners agree to:

- ❖ Familiarize themselves with the basic eligibility and participation requirements, as well as with the available services and benefits offered, for each of the Partners' programs represented in the County of Maui.
- ❖ Develop materials summarizing their program requirements and making them available for Partners and customers.
- ❖ Work in conjunction with any state efforts to develop and utilize common intake, eligibility determination, assessment, and registration forms.
- ❖ Provide substantive referrals to customers who are eligible for supplemental and complementary services and benefits under partner programs.
- ❖ Regularly evaluate ways to improve the referral process, including the use of customer satisfaction surveys.
- ❖ Commit to robust and ongoing communication required for an effective referral process.
- ❖ Commit to actively follow up on the results of referrals and assuring that Partner resources are being leveraged at an optimal level.

ROLES AND RESPONSIBILITIES OF PARTNERS

The Parties to this agreement will work closely together to ensure that AJC(s) are high-performing work places with staff who will ensure quality of service.

ALL PARTIES

All Parties to this agreement shall comply with:

- ❖ Section 188 of the WIOA Nondiscrimination and Equal Opportunity Regulations (29 CFR Part 38; Final Rule, published December 2, 2016).
- ❖ Title VI of the Civil Rights Act of 1964 (Public Law 88-352).
- ❖ The Age Discrimination Act of 1967.
- ❖ Title IX of the Education Amendments of 1972.
- ❖ Section 504 of the Rehabilitation Act of 1973.
- ❖ The Americans with Disabilities Act of 1990 (Public Law 101-336).
- ❖ The Jobs for Veterans Act (Public Law 107-288) pertaining to priority of service in programs funded by the U.S. Department of Labor.
- ❖ Training and Employment Guidance Letter (TEGL) 37-14, Update on Complying with Nondiscrimination Requirements: Discrimination Based on Gender Identity, Gender Expression and Sex Stereotyping are Prohibited Forms of Sex Discrimination in the Workforce Development System and other guidance related to

implementing WIOA sec. 188.

- ❖ The Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. § 1232g; 34 CFR part 99).
- ❖ The Non-traditional Employment for Women Act of 1991.
- ❖ Confidentiality requirements governing the protection and use of personal information held by the VR agency (34 CFR 361.38).
- ❖ The confidentiality requirements governing the use of confidential information held by the State Unemployment Insurance (UI) agency (20 CFR part 603).
- ❖ All amendments to each.
- ❖ All requirements imposed by the regulations issued pursuant to these acts.

Additionally, all Parties shall:

- ❖ Collaborate and reasonably assist each other in the development of necessary service delivery protocols for the services outlined in the Partner Services section above.
- ❖ Agree that the provisions contained herein are made subject to all applicable federal and state laws, implementing regulations, and guidelines imposed on either or all Parties relating to privacy rights of customers, maintenance of records, and other confidential information relating to customers.
- ❖ Agree to participate in a continuous improvement process and increase customer satisfaction, and participate in regularly scheduled Partner meetings to exchange information in support of the above and encourage program and staff integration.

MAYOR

The Mayor will, at a minimum:

- ❖ In Partnership with the MCWDB and other applicable Partners within Maui County, develop and submit a single Local Area Plan that includes a description of the activities that shall be undertaken by MCWDB and their Partners.
- ❖ Approve the MCWDB budget and workforce center cost allocation plan, and
- ❖ Coordinate with the MCWDB to oversee the operations of the Maui County AJC network.

MCWDB

The MCWDB ensures the workforce-related needs of employers, workers, and job seekers in the local area are met, to the maximum extent possible, with available resources. The MCWDB will, at a minimum, in partnership with the Mayor and other applicable Partners within Maui County, develop and submit a Local Area Plan that includes a description of the activities that shall be undertaken by the MCWDB and its Partners. This includes, but is not limited to:

- ❖ Adequate, sufficient, and accessible one-stop center location(s) and facilities.
- ❖ Sufficient numbers and types of providers of career and training services (including eligible providers with expertise in assisting individuals with disabilities and eligible providers with expertise in assisting adults in need of adult education and literacy activities).
- ❖ A human-centered design system of supporting services.
- ❖ One or more competitively procured one-stop operators.
- ❖ In collaboration with the Mayor, designate through a competitive process, oversee, monitor, implement

corrective action, and, if applicable, terminate the one-stop operator(s).

- ❖ Determine the role and scope of services of the one-stop operator.
- ❖ Approve annual budget allocations for operation of the AJC network.
- ❖ Review and evaluate performance of the AJC and one-stop operator.

LOCAL WORKFORCE DEVELOPMENT BOARD STAFF

- ❖ Assist the Mayor and the MCWDB with the development and submission of a single Local Area Plan.
- ❖ Support the MCWDB with the implementation and execution of the local area's vision, goals, objectives, and workforce-related policies, including all duties outlined above.
- ❖ Provide operational and grant-specific guidance to the one-stop operator.
- ❖ Investigate and resolve elevated customer complaints and grievance issues.
- ❖ Prepare regular reports and recommendations to the MCWDB.
- ❖ Oversee negotiations and maintenance of MOU with one-stop Partners.

PARTNERS

Partners will further promote system integration to the maximum extent feasible through:

- ❖ Cross-training and/or cross informing of staff, as learning opportunities that promote continuous quality improvement.
- ❖ Effective communication, information sharing, and collaboration with the one-stop operator.
- ❖ Joint planning, policy development, and system design processes.
- ❖ Commitment to the joint mission, vision, goals, strategies, and performance measures.
- ❖ Use of common intake (core partners), assessment, referral, and case management processes.
- ❖ The use of common and/or linked data management systems and data sharing methods, as appropriate.
- ❖ Leveraging resources, including other public agency and non-profit organization services.

ONE-STOP OPERATOR

The County of Maui, in its role as the OSO, will employ a Center Manager who will act as a functional leader who can make suggestions regarding organizing Partner staff in order to optimize and streamline service delivery efforts. **Formal leadership, supervision, and performance responsibilities will remain with each staff member's employer of record.** The OSO, through the Center Manager, will, at a minimum:

- ❖ Manage daily operations.
- ❖ Manage and coordinate Partner responsibilities, as defined by this MOU.
- ❖ Coordinate daily work schedules and work flow based upon operational needs.
- ❖ Assist the MCWDB in establishing and maintaining the AJC network structure including but not limited to:
 - Ensuring the State requirements for center certification are met and maintained.
 - Ensuring that career services outlined in WIOA sec. 134 (c)(2) are available and accessible.
 - Ensuring that MCWDB policies are implemented and adhered to.
 - Adhering to the provisions outlined in the contract with the MCWDB and the Local Area Plan.
 - Ensuring staff are properly trained by their formal leadership organization and provided technical assistance, as needed.

- Integrate systems and coordinate services for the AJC and its Partners, placing priority on customer service.
- Oversee and coordinate Partner, program, and AJC network performance.
- Providing and/or contributing to reports of center activities, as requested by the MCWDB.
- Identifying and facilitating the timely resolution of complaints, problems, and other issues.
- Collaborating with the MCWDB on efforts designed to ensure the meeting of program performance measures, including data sharing procedures to ensure effective data matching and timely data entry into the case management system.
- Ensuring open communication with Partners in order to facilitate efficient and effective center operations.
- Evaluating customer satisfaction data and proposing service strategy changes to the MCWDB based on findings.
- Manage fiscal responsibilities and records for the center.

The OSO will **NOT** assist in the development, preparation, or submission of Local Area Plans. They will not manage or assist in future competitive processes for selecting/terminating service providers or one-stop operators, career services providers, or Youth providers. The OSO cannot negotiate local performance accountability measures or develop and submit budgets for activities of the local WDB. MCWDB is responsible for the negotiated performance measures, strategic planning, budgets, and OSO oversight (including monitoring).

CAPACITY BUILDING

1. Parties to the MOU agree that high standards of professional service and conduct as well as professional work environments are required in the AJC.
2. Capacity-building efforts shall be examined periodically for their effectiveness in staff adaptability to change, improvements in customer service, and continuous improvement progress.
3. The Parties agree to ensure collaboration with State and regional efforts to address identified capacity building needs.

MARKETING

The Parties to the MOU agree to work with the One-Stop Operator and assist in efforts regarding marketing/ rebranding strategies to inform job seekers, employed individuals, employers, and the community at large about the services available through the AJC. Partners will abide by Section 121(e)(4) of WIOA which requires the Partners to use a common identifier on all products, programs, activities, services, electronic resources, facilities, and related property and new materials. The State of Hawaii Workforce Development Council has established the unifying brand as the American Job Center of Hawaii, with the logo inclusive of the state name as detailed in the American Job Center Graphic Style Guide for Partners released by the US Department of Labor.

ACCESSIBILITY

Accessibility to the services provided by the AJC(s) and all Partners is essential to meeting the requirements and goals of the AJC network. Job seekers and businesses must be able to access information relevant to them via visits to physical locations as well as in virtual spaces, regardless of gender, age, race, religion, national origin, disability, veteran's status,

or on the basis of any other classification protected under state or federal law.

AJC(s) will maintain a culture of inclusiveness and the physical characteristics of the facility, both indoor and outdoor, will meet the high standards of accessible design. Indoor space will be designed in an “equal and meaningful” manner providing access for individuals with disabilities.

Communications access, for purposes of this MOU, means that individuals with sensory disabilities can communicate (and be communicated with) on an equal footing with those who do not have such disabilities. All Partners agree that they will provide accommodations for individuals who have communication challenges, including but not limited to individuals who are deaf and hard of hearing, individuals with vision impairments, and individuals with speech-language impairments.

To ensure meaningful access to all customers, the AJC will incorporate the principles of universal and human-centered design. These principles include, for example, flexibility in space usage; the use of pictorial, written, verbal, and tactile modes to present information for customers with disabilities or English language learners; providing clear lines of sight to information for seated or standing users; providing necessary accommodations; and providing adequate space for the use of assistive devices or personal assistants.

CONFIDENTIALITY

All Parties expressly agree to abide by all applicable Federal, State, and local laws and regulations regarding confidential information, including Personally Identifiable Information (PII) from educational records, such as but not limited to 20 CFR Part 603, 45 CFR Sec. 205.50, 20 USC 1232g, and 34 CFR part 99, and 34 CFR 361.38, as well as confidentiality provisions of Hawaii Administrative Rules and other applicable state and local laws and regulations. In addition, in carrying out their respective responsibilities, each Party shall respect and abide by the confidentiality policies and legal requirements of all the other Parties.

Each Party will ensure that the collection and use of any information, systems, or records that contain PII and other personal or confidential information will be limited to purposes that support the programs and activities described in this MOU and will comply with applicable law.

Each Party will ensure that access to software systems and files under its control that contain PII or other personal or confidential information will be limited to authorized staff members who are assigned responsibilities in support of the services and activities described herein and will comply with applicable law. Each Party expressly agrees to take measures to ensure that no PII or other personal or confidential information is accessible by unauthorized individuals.

To the extent that confidential, private, or otherwise protected information needs to be shared amongst the Parties for the Parties’ performance of their obligations under this MOU, and to the extent that such sharing is permitted by applicable law, the appropriate data sharing agreements will be created and required confidentiality and ethical certifications will be signed by authorized individuals. With respect to confidential unemployment insurance information, such data sharing must comply with all of the requirements in 20 CFR Part 603, including but not limited to requirements for an agreement consistent with 20 CFR 603.10, payments of costs, and permissible disclosures.

With respect to the use and disclosure of FERPA-protected customer education records and the PII contained therein, any such data sharing agreement must comply with all of the requirements set for the in 20 U.S.C Sec. 1232g and 34 CFR Part 99.

With respect to the use and disclosure of personal information contained in VR records, any such data sharing agreement must comply with all of the requirements set forth in 34 CFR 361.38.

GENERAL TERMS AND CONDITIONS

A. APPROVAL

This MOU is of no force or effect until signed by authorized representatives of all Parties. The MOU, once executed, becomes a part of the MCWDB Local Area Plan.

B. MODIFICATION

1. If a Party wants to modify the MOU, the Party must first provide written notification to all signatories of the existing MOU and outline the proposed modifications.
2. Upon notification, the MCWDB Chair (or designee) must ensure that discussions and negotiations related to the proposed modification take place with Parties in a timely manner and as appropriate.
3. Depending upon the type of modification, this can be accomplished through email communications of all the Parties. If the proposed modification is extensive and is met with opposition, the MCWDB Chair (or designee) may need to call a meeting of the Parties to resolve the issue. Upon agreement of all Parties, a written amendment to the MOU will be required.
4. If determined that a Party is unwilling to agree to the MOU modification, the MCWDB Chair (or designee) must ensure that the process in the Dispute and Resolutions section is followed.

C. DISPUTES AND RESOLUTIONS

Parties shall continue with the responsibilities under this MOU during any dispute. Disputes shall be resolved in a timely manner, directly involving the parties to the dispute. In the event that an impasse should arise between the Partners and/or the MCWDB regarding the terms and conditions, the performance, or administration of this MOU, the following procedure will be initiated:

1. The MCWDB and Partners should document the negotiations and efforts that have taken place to resolve the issue.
2. The MCWDB Chairperson will meet with the Mayor and/or the Partner(s) and/or the One-Stop Operator based on the nature of the impasse to resolve the issue.
3. If an agreement cannot be reached, the State of Hawaii Workforce Development Council will provide assistance in resolving the issue.

D. TERMINATION

This MOU will remain in effect until the end date specified in the Effective Period section below, unless:

- All Parties mutually agree to terminate this MOU prior to the end date.
- Federal oversight agencies charged with the administration of WIOA are unable to appropriate funds or if funds are not otherwise made available for continued performance for any fiscal period of this MOU succeeding the first fiscal period. Any Party unable to perform pursuant to MOU due to lack of funding shall notify the other Parties as soon as the party has knowledge that funds may be unavailable for the continuation of activities under this MOU.
- WIOA is repealed or superseded by subsequent federal law.
- Local area designation is changed under WIOA.

- A Party breaches any provision of this MOU and such breach is not cured within thirty (30) days after receiving written notice from the MCWDB Chair (or designee) specifying such breach in reasonable detail. In such event, the non-breaching Party(s) shall have the option to continue or to terminate this MOU by giving written notice to the MCWDB Chair, who shall provide notice to all Parties of the continuation or termination of the MOU. If the MOU is terminated, such termination will go into effect immediately.

In the event of breach and continuation, the Parties to the MOU must convene within thirty (30) days after the MCWDB Chair provides written notice of the breach of the MOU to discuss the formation of the successor MOU. At that time, allocated costs must be addressed. Any Party may request to terminate its inclusion in this MOU by following the modification process identified in the Modification Process section above.

All Parties agree that this MOU shall be reviewed and renewed by amendment in writing not less than once every 3-year period to ensure appropriate funding and delivery of services.

E. EFFECTIVE PERIOD

This MOU will become effective on the date of final execution by all of the parties listed below. This MOU expires on June 30, 2020, unless sooner terminated as listed in General Terms and Conditions, Section D (Termination).

F. MONITORING/AUDITS

The MCWDB, or its designated staff, officials from the State and Local administrative entities, the U.S. Departments of Labor, Education, and Health and Human Services have the authority to conduct fiscal and programmatic monitoring to ensure that:

- Federal awards are used for authorized purposes in compliance with law, regulations, and State policies.
- Those laws, regulations, and policies are enforced properly.
- Performance data are recorded, tracked, and reviewed for quality to ensure accuracy and completeness.
- Outcomes are assessed and analyzed periodically to ensure that performance goals are met.
- Appropriate procedures and internal controls are maintained, and record retention policies are followed.
- All MOU terms and conditions are fulfilled.
- All Parties to this MOU should expect regular fiscal and programmatic monitoring to be conducted by each of the above entities, as appropriate.

The Bureau of State Audits, the Mayor, and other Parties as appropriate, or their designated representatives, shall have the right to review and to copy any records and supporting documentation pertaining to performance under this MOU, subject to the confidentiality requirements stated in the Confidentiality section. Auditors will be allowed access to such information or records during normal business hours. Parties to the MOU agree to maintain such records for three years unless differing periods are stipulated by impacted funding sources. Further, the Parties to this MOU agree to include similar audit provisions in any related contract, subcontract, or other financial agreement.

G. NON-DISCRIMINATION CLAUSE

Parties to this MOU shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant, or applicant for employment due to race, color, ancestry, creed, religion, sex, sexual orientation, gender identity, national origin, physical or mental disability, medical conditions, age, veteran's status, marital status, or political affiliation or belief. Parties shall comply with the provisions of Hawaii Revised Statutes (HRS) Chapter 378 part 1, and the Hawaii Administrative Rules (HAR) Chapter 12 - 46 and related, applicable regulations. Parties

shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining agreement or other such agreement.

Parties to this MOU shall include non-discrimination and compliance provisions of this clause in all related subcontracts or financial agreements, substantially as follows:

“No person performing work under this Contract, including any subcontractor, employee, or agent of the PROVIDER, shall engage in any discrimination that is prohibited by any applicable federal, state, or county law.”

H. GOVERNING LAW

This MOU is governed by and shall be interpreted in accordance with the laws of Hawaii. All Parties shall comply with all applicable federal and state laws and regulations as well as local laws of the County of Maui, State of Hawaii Workforce Development Council, and WIOA.

I. INDEMNIFICATION

All Parties to this MOU recognize the Partnership may consist of various levels of government, not-for-profit, and for-profit entities. Each non-government Party to this MOU shall be responsible for injury to persons or damage to property resulting from negligence on the part of itself, its employees, its agents, or its officers. The Parties do not assume any responsibility for any other Party for the consequences of any act or omission of any Party or third party.

All Government-agency Parties shall be responsible for damages or injury caused by their agents, officers, and employees in the course of their employment, to the extent that their liability for such damage or injury has been determined by a court or otherwise agreed to by the Government, and shall pay for such damages and injury to the extent permitted by law.

J. INSURANCE

The State of Hawaii Partners are self-insured and shall provide a statement of self-insurance to the Maui County Workforce Development Board.

In order to protect themselves as well as the County under the indemnification agreement set forth herein, all other parties to this Agreement shall obtain, pay for, and keep in force throughout the period of this Agreement comprehensive liability insurance issued by an insurance company (the “Carrier”) authorized to do business in the State of Hawaii (an “Admitted Carrier”), or by a company not authorized to do business in the State of Hawaii (a Non-Admitted Carrier”) only through a general insurance agent or broker licensed in the State of Hawaii. The carrier shall be rated no less than “A-“as established by “AM Best” or “Standard and Poor” ratings.

The insurance policy, as evidenced by issuance of a “Policy Endorsement,” shall name the County of Maui, its departments, agencies, officers, directors, employees and agents as “Additional Insured”, and shall include a duty to defend the County, its departments, agencies, officers, directors, employees and agents against any loss, liability, claims, and demands for injury or damage, including but not limited to, claims for property damage, personal injury, or wrongful death, arising out of, or in connection with the Party’s actions and/or performance of this Agreement.

Unless otherwise agreed to by the County, through the decision and discretion of the Department of Finance, the insurance policy shall contain the following minimum requirements:

- a) No less than a Combined Single Limit (“CSL”) of liability coverage of \$1,000,000;
- b) No erosion of limit by payment of defense costs; and
- c) Minimum annual aggregate limit of \$2,000,000.

Prior to or upon the execution of this Agreement, the Parties shall furnish the County with a copy of the insurance policy certificate together with the required endorsements verifying such insurance coverage. If the scheduled expiration date of a current insurance policy is sooner than the specified termination date of this Agreement, the Party shall ensure renewal of the insurance policy, and provide the County with a copy of the renewed insurance policy certificate together with the required endorsements.

Unless waived by the County, the insurance policy shall expressly state that the coverage provided under such policy shall not be cancelled or terminated, unless the Carrier has first given the County thirty (30) calendar day’s prior written notice of the intended cancellation or termination.

K. UNENFORCEABLE PROVISIONS

In the event that any provision of this MOU is unenforceable or held to be unenforceable, then the Parties agree that all other provisions of this MOU have force and effect, and shall not be affected.

L. PRIORITY OF SERVICE

All Parties certify that they will adhere to all statutes, regulations, policies, and plans regarding priority of service, including, but not limited to, priority of service for veterans and their eligible spouses, and priority of service for the WIOA title I Adult program, as required by 38 U.S.C. sec. 4215 and its implementing regulations and guidance, and WIOA sec. 134(c)(3)(E) and its implementing regulations and guidance.

M. COMPLIANCE WITH LAWS

All Parties shall comply with all federal, State, and county laws, ordinances, codes, rules, and regulations, as the same may be amended from time to time, that in any way affect the Parties performance of their obligations under this MOU.

ONE-STOP CENTER OPERATING BUDGET

The purpose of this section is to establish a financial plan, including terms and conditions, to fund the services and operating costs of the Local Workforce Development Area American Job Center network. The Parties to this MOU agree that joint funding is a necessary foundation for an integrated service delivery system. The goal of the operating budget is to develop a funding mechanism that:

- Establishes and maintains the Local workforce delivery system at a level that meets the needs of the job seekers and businesses in the Local area.
- Reduces duplication and maximizes program impact through the sharing of services, resources, and technologies among Partners (thereby improving each program's effectiveness).
- Reduces overhead costs for any one partner by streamlining and sharing financial, procurement, and facility costs.
- Ensures that costs are appropriately shared by American Job Center Partners by determining contributions based on the proportionate use of the one-stop centers and relative benefits received, and requiring that all funds are spent solely for allowable purposes in a manner consistent with the applicable authorizing statutes and all other applicable legal requirements, including the Uniform Guidance.

The Partners consider this one-stop operating budget the master budget that is necessary to maintain the Local Workforce Development Area's high-standard American Job Center network. It includes the following cost categories, as required by WIOA and its implementing regulations:

- Infrastructure costs (also separately outlined in the Infrastructure Funding Agreement (IFA))
- Career services
- Shared services

All costs must be included in the MOU, allocated according to Partners' proportionate use and relative benefits received, and reconciled on a quarterly basis against actual costs incurred and adjusted accordingly. The one-stop operating budget is expected to be transparent and negotiated among Partners on an equitable basis to ensure costs are shared appropriately. All Partners must negotiate in good faith and seek to establish outcomes that are reasonable and fair.

ONE-STOP OPERATING BUDGET

| Cost Category | Cost Pool | Cost Item | |
|----------------------|---------------------------------|--|------------------|
| Career Services | Consultants & Contract Expenses | External Workshop Conductors | \$1,080 |
| Infrastructure Costs | Accessibility Software & Tools | Assistive Technology for Individuals with Disabilities | - |
| Infrastructure Costs | General Office Expense | Postage and Freight | \$240 |
| Infrastructure Costs | General Office Expense | Publications & Subscriptions | \$190 |
| Infrastructure Costs | General Office Expense | Printing | \$400 |
| Infrastructure Costs | Outreach Costs | Outreach | \$1000 |
| Infrastructure Costs | Equipment Costs | Equipment Repairs/Maintenance | \$3,525 |
| Infrastructure Costs | Equipment Costs | Purchase of new Equipment | - |
| Infrastructure Costs | General Office Expense | Security Alarm Services | \$950 |
| Infrastructure Costs | General Office Expense | Office Supplies | \$1,690 |
| Infrastructure Costs | General Office Expense | Telephone Lines | \$2,700 |
| Infrastructure Costs | Facilities | Lease (including CAM & taxes) | \$50,916 |
| Infrastructure Costs | Signage | Signage | \$2,400 |
| Infrastructure Costs | Utilities & Maintenance | Electricity | \$5,600 |
| Infrastructure Costs | Utilities & Maintenance | Janitorial Services | \$4,300 |
| Shared Services | Consultants & Contract Expenses | Professional Services | \$1,200 |
| Shared Services | Personnel | AJC Reception/Resource Area Staffing | \$96,558 |
| Shared Services | Personnel | AJC Manager | \$144,837 |
| Shared Services | Software | Assessment Software/System | \$420 |
| Shared Services | Travel/Training Costs | Training - Registration & Fees | \$250 |
| Shared Services | Travel/Training Costs | Training - transportation | \$250 |
| Shared Services | Travel/Training Costs | Mileage | \$600 |
| Shared Services | Contracted Services | Water Delivery Charges | \$150 |
| TOTAL | | | \$319,256 |

COST ALLOCATION METHODOLOGY

All Partners of the American Job Center network were encouraged to physically co-locate in the American Job Center. The following partners have agreed to collocation in the following amounts:

Partner On-Site Representation Schedule

| Partner Program | # of Staff | Weekly Staff Hours |
|---------------------------------------|-------------------|---------------------------|
| WIOA Adult, Dislocated Worker | 1 | 40 |
| WIOA Youth | 1 | 2 |
| Division of Vocational Rehabilitation | 1 | 2 |
| Alu Like (INA, WIOA Title I) | 1 | 2 |
| Wagner-Peyser ES | 1 | 40 |

The remaining partners/programs are linked virtually through technological access to a program staff member via American Job Center resource rooms or through cross-trained front desk staff and other, physically co-located, partner staff who can provide information and referrals. All required partners, except Alu Like Inc. (representing Indian & Native American Program, WIOA Title I), must contribute to the cost of infrastructure and certain additional services. Alu Like Inc. is strongly encouraged, but not required, to contribute to the cost of infrastructure and certain additional services. Alu Like, Inc. has declined to participate in infrastructure funding, but will contribute in-kind services through the co-location of staff for two (2) hours per week. Even if not physically co-located within the American Job Center, Partner customers use the American Job Center network to access services such as:

- Using resource room computers to file UI claims, conduct work searches, and communicate with off-site program staff
- Using resource room staff assistance for the above services and for general information
- Using other resource room equipment such as copiers, scanners, fax machines, or assistive technology for individuals with disabilities
- Obtaining labor market information
- Attending reemployment workshops
- Filing grievances or appeals, etc.

These services are utilized in direct benefit of Partner programs and in support thereof and will, therefore, be proportionately paid for.

Square footage was utilized to determine overall Partner contributions. This was done in an effort to remedy the imbalance of non-physically represented Partners and to comply with the requirement of Partners' contributions having to be in proportion to the Partners' use of the one-stop center and relative benefit received.

PARTNER CONTRIBUTION AMOUNTS (ANNUAL)

| Partner Program | Non-Personnel Cost | Personnel Cost | Total Cost |
|---|---------------------------|-----------------------|-------------------|
| WIOA title I – Adult Program | \$9,102 | - | \$9,102 |
| WIOA title I – Dislocated Worker Program | \$9,102 | - | \$9,102 |
| WIOA title I – Youth Program | \$4,173 | - | \$4,173 |
| National Farmworker Jobs Program (NFJP) | \$1,285 | - | \$1,285 |
| Indian & Native American Program WIOA title I (Alu Like Inc.) | \$0 | - | - |
| Department of Commerce and Consumer Affairs (DCCA)* | \$11,975 | - | \$11,975 |
| Wagner Peysner Act Employment Services | \$10,775 | - | \$10,775 |
| Senior Community Service Employment Program | \$1,285 | - | \$1,285 |
| TAA Program | \$1,285 | - | \$1,285 |
| Unemployment Insurance | \$1,285 | - | \$1,285 |
| JVSG program | \$1,285 | - | \$1,285 |
| AEFLA, WIOA Title II | \$1,285 | - | \$1,285 |
| DVR, WIOA Title IV | \$1,923 | - | \$1,923 |
| CTE at postsecondary level (Perkins) | \$1,285 | - | \$1,285 |
| Job Corps | \$1,285 | - | \$1,285 |
| CSBG | \$1,285 | - | \$1,285 |
| County of Maui - Mayor's Office of Economic Development (OED) | \$17,960 | \$241,395 | \$259,355 |
| TANF | \$1,285 | - | \$1,285 |
| TOTALS | \$77,861.00 | \$241,395 | \$319,256 |

For detailed information regarding the calculation of contribution amounts, please refer to Appendix E: Cost Allocation and Partner Contributions

* The AJC space is shared with the Maui County Business Resource Center (MCBRC) run by the County of Maui Mayor's Office of Economic Development. DCCA has a preexisting arrangement with the County of Maui to occupy their current location. DCCA is included in this budget to reflect the contribution they currently provide to occupy their space.

COST RECONCILIATION AND ALLOCATION UPDATE

All Parties agree that a quarterly reconciliation of budgeted and actual costs and update of the allocation bases will be completed in accordance with the following process:

- Partners will provide MCWDB with updated staffing information (per the first day of the first month of each quarter) no later than fifteen (15) days after the end of each quarter
- Upon receipt of the above information, MCWDB will compare budgeted costs to actual costs and determine the actual costs allocable to each partner.
- MCWDB will prepare an updated budget document showing cost adjustments and will prepare an invoice for each Partner with the actual costs allocable to each Partner for the quarter.
- MCWDB will submit the invoices to the Partners and send a copy of the updated budget to all Parties no later than forty-five (45) days after the end of each quarter. The Partners understand that the timeliness of MCWDB's preparation and submission of invoices and adjusted budgets is contingent upon the timeliness of each Partner in providing the necessary cost information. For Partners that advance funds to the county, MCWDB will only send a copy of the updated budget.
- Upon receipt of the invoice and adjusted budget, each Partner will review both documents and will submit payment to the County of Maui no later than fifteen (15) days following receipt. Payment of the invoice signifies agreement with the costs in the adjusted budget. For Partners that advance funds to the county, MCWDB may draw down funds for quarterly payments upon approval via email of the reconciled budget.
- Partners will communicate any disputes with costs in the invoice or the adjusted budget to MCWDB in writing. MCWDB will review the disputed cost items and respond accordingly to the Partner and Local WDB within thirty (30) days of receipt of notice of the disputed costs. When necessary, MCWDB will revise the invoice and the adjusted budget upon resolution of the dispute.

INFRASTRUCTURE FUNDING AGREEMENT

American Job Center infrastructure costs are defined as non-personnel costs that are necessary for the general operation of the American Job Center, including, but not limited to:

- Rental of the facilities
- Utilities and maintenance
- Equipment, including assessment-related products and assistive technology for individuals with disabilities
- Technology to facilitate access to the American Job Center, including technology used for the center's planning and outreach activities

All Parties to this MOU and IFA recognize that infrastructure costs are applicable to all required Partners, whether they are physically located in the American Job Center or not. Each partner's contributions to these costs, however, may vary, as these contributions are based on the proportionate use and relative benefit received, consistent with the Partner programs' authorizing laws and regulations and the Uniform Guidance.

PARTNERS

Partners funding the costs of infrastructure according to this IFA are the same as identified in the Partners section of the MOU.

INFRASTRUCTURE BUDGET

| Cost Category | Cost Pool | Cost Item | |
|----------------------|--------------------------------|--|-----------------|
| Infrastructure Costs | Accessibility Software & Tools | Assistive Technology for Individuals with Disabilities | - |
| Infrastructure Costs | General Office Expense | Postage and Freight | \$240 |
| Infrastructure Costs | General Office Expense | Publications & Subscriptions | \$190 |
| Infrastructure Costs | General Office Expense | Printing | \$400 |
| Infrastructure Costs | Outreach Costs | Outreach | \$1000 |
| Infrastructure Costs | Equipment Costs | Equipment Repairs/Maintenance | \$3,525 |
| Infrastructure Costs | Equipment Costs | Purchase of new Equipment | - |
| Infrastructure Costs | General Office Expense | Security Alarm Services | \$950 |
| Infrastructure Costs | General Office Expense | Office Supplies | \$1,690 |
| Infrastructure Costs | General Office Expense | Telephone Lines | \$2,700 |
| Infrastructure Costs | Facilities | Lease (including CAM & taxes) | \$50,916 |
| Infrastructure Costs | Signage | Signage | \$2,400 |
| Infrastructure Costs | Utilities & Maintenance | Electricity | \$5,600 |
| Infrastructure Costs | Utilities & Maintenance | Janitorial Services | \$4,300 |
| TOTAL | | | \$73,911 |

COST ALLOCATION METHODOLOGY

All Parties agree that the cost allocation methodology for this IFA will be the same as described in the Cost Allocation Methodology section of the MOU

COST RECONCILIATION AND ALLOCATION UPDATE

All Parties agree that the cost reconciliation and allocation base update for this IFA will be the same as described in the Cost Reconciliation and Allocation Base Update section of the MOU.

STEPS TO REACH CONSENSUS

MCWDB will employ the following steps to reach consensus:

- MCWDB (or designee) will notify all Parties that it is necessary to renew and execute the IFA and provide all applicable policies and preceding IFA documents, as applicable.
- The MCWDB Chair (or designee) will invite all required and optional AJC Partners to formally initiate negotiations. The meeting will take place no later than four (4) weeks following notification in order to ensure negotiations are conducted in good faith and in an open and transparent environment. The MCWDB Chair (or designee) will provide a review of all relevant documents, facts, and information and ensure all Parties have sufficient time to ask questions or voice concerns.
- Over the course of the four (4) weeks following the initiation of negotiations, Partners must submit all relevant documents to the MCWDB Chair (or designee) to begin the drafting of the IFA. During this time, additional formal or informal meetings may take place with pertinent information provided to all Parties.
- Within eight (8) weeks of the initiation of negotiations, the MCWDB Chair (or designee) will provide a physical or electronic draft of the IFA to all Parties.
- Within four (4) weeks of receipt of the draft IFA, all Parties must review and return feedback to the MCWDB Chair (or designee). During this time, each Party may use this time to allow their respective legal counsel to review the IFA for legal sufficiency.
- The MCWDB Chair (or designee) will circulate the finalized IFA within four weeks of receipt of feedback. The IFA will be considered fully executed once all signatories have reviewed and signed.
- If it is determined that a Partner is unwilling to sign the IFA, the MCWDB Chair (or designee) will follow the dispute resolution process.

DISPUTE AND IMPASSE RESOLUTION

All Parties will actively participate in Local IFA negotiations in a good faith effort to reach agreement. Any disputes shall first be attempted to be resolved informally. Should informal resolution efforts fail, the process outlined in the Dispute Resolution section of the MOU must be followed.

If Partners in a Local area have employed the dispute resolution process and have failed to reach consensus on an issue pertaining to the IFA, then an impasse is declared and the State Funding Mechanism (SFM) is triggered.

MODIFICATION PROCESS

All Parties agree to abide by the process for modification, as outlined in the Modification Process section of the MOU.

EFFECTIVE PERIOD

This IFA will become effective as of the date of signing by the final signatory below and must terminate on June 30, 2020, unless any of the reasons in the Termination section of the MOU apply.

AUTHORITY AND SIGNATURE
PAGE 1: CHIEF ELECTED OFFICIAL AND WDB CHAIR

CHIEF ELECTED OFFICIAL:

ALAN M. ARAKAWA
Mayor, County of Maui

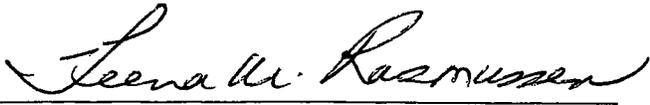
Date

WORKFORCE DEVELOPMENT BOARD CHAIR:

LESLIE WILKINS
Chair, Maui County Workforce Development Board

Date

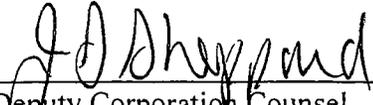
RECOMMEND APPROVAL:



TEENA M. RASMUSSEN
Director, Office of Economic Development

Date: 10/25/2018

APPROVAL AS TO FORM AND LEGALITY:



Deputy Corporation Counsel
County of Maui

Date: 10/25/2018

STATE OF HAWAII)
) SS.
COUNTY OF MAUI)

On this _____ day of _____, 20_____, before me personally appeared ALAN M. ARAKAWA, to me personally known, who, being by me duly sworn or affirmed, did say that he is the Mayor of the County of Maui, a political subdivision of the State of Hawaii, and that the seal affixed to the foregoing instrument is the lawful seal of the said County of Maui, and that the said instrument was signed and sealed on behalf of said County of Maui pursuant to Section 7-5.11 and Section 9-18 of the Charter of the County of Maui; and the said ALAN M. ARAKAWA acknowledged the said instrument to be the free act and deed of said County of Maui.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public, State of

[Stamp or Seal]

Print Name: _____

My commission expires: _____

NOTARY PUBLIC CERTIFICATION

Doc. Date: _____

Pages: _____

Notary Name: _____

Judicial
Circuit: _____

Doc. Description:

[Stamp or Seal]

Notary
Signature: _____

Date:

AUTHORITY AND SIGNATURE SIGNATURE PAGE 2: AJC NETWORK PARTNERS

- ▶ **One completed, signed, and dated Authority and Signature page, with notarization, is required for each signatory official from each Partner**

By signing my name below, I, _____, certify
(PRINT NAME)
that I have read the above information. All of my questions have been discussed and answered satisfactorily.

My signature certifies my understanding of the terms outlined herein and agreement with:

- The MOU

I understand that the following sections required by WIOA will be proposed via modification to the MOU at a later date:

- The Operating Budget
- The Infrastructure Funding Agreement (IFA)

By signing this document, I also certify that I have the legal authority to negotiate on behalf of my agency (outlined below) to the terms of this MOU.

I understand that this MOU may be executed in counterparts, each being considered an original, and that this MOU expires either:

- a) In three years,
- b) Upon amendment, modification, or termination, or
- c) On June 30, 2020, whichever occurs earlier.

Signature

Date

Printed Name and Title

Agency Name

Agency Program(s)

STATE OF _____)
_____) SS.

On this _____ day of _____, 20_____, before me personally appeared _____, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public, State of

[Stamp or Seal]

Print Name: _____

My commission expires: _____

NOTARY PUBLIC CERTIFICATION

Doc. Date: undated at time of notarization # Pages: _____

Notary Name: _____ Judicial Circuit: _____

Doc. Description:

[Stamp or Seal]

Notary Signature: _____

Date:

APPENDIX A

GLOSSARY

APPENDIX A

Glossary

| Term | Definition |
|---------------------|--|
| FERPA | Family Educational Rights and Privacy Act |
| MCWDB | Maui County Workforce Development Board |
| WIOA | Workforce Innovation and Opportunity Act |
| Supportive Services | The term “supportive services” means services such as transportation, child care, dependent care, housing, and needs-related payments, that are necessary to enable an individual to participate in activities authorized under WIOA. (WIOA Sec. 3 (59)) |
| TEGL | Training and Employment Guidance Letter |
| UI | Unemployment Insurance |
| VR | Vocational Rehabilitation |

APPENDIX B
TEGL 16-16

| | |
|---|--|
| EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210 | CLASSIFICATION WIOA – General Guidance for One-Stop Operations |
| | CORRESPONDENCE SYMBOL ETA-OWI |
| | DATE January 18, 2017 |

ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER ONE-STOP OPERATING GUIDANCE FOR THE WORKFORCE INNOVATION AND OPPORTUNITY ACT NO. 16-16

TO: STATE AND LOCAL STAKEHOLDERS IN THE WORKFORCE
INNOVATION AND OPPORTUNITY ACT
STATE WORKFORCE ADMINISTRATORS
STATE WORKFORCE LIAISONS
STATE AND LOCAL WORKFORCE BOARD CHAIRS AND DIRECTORS
AMERICAN JOB CENTER DIRECTORS
SECTION 166 INDIAN AND NATIVE AMERICAN GRANTEES
NATIONAL FARMWORKER JOBS PROGRAM GRANTEES
SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM GRANTEES
YOUTHBUILD GRANTEES
ALL DEPARTMENT OF LABOR GRANTEES
STATE AND LOCAL VETERANS ADMINISTRATORS
STATE APPRENTICESHIP AGENCY DIRECTORS
TRADE ADJUSTMENT ASSISTANCE LEADS

FROM: PORTIA WU /s/
Assistant Secretary

SUBJECT: One-Stop Operations Guidance for the American Job Center Network

1. **Purpose.** This Training and Employment Guidance Letter (TEGL) provides general guidance for the implementation of operational requirements under the Workforce Innovation and Opportunity Act (WIOA) pertaining to the one-stop delivery system, branded nationally as the American Job Center network. Due to the broad scope of the one-stop delivery system, encompassing multiple programs administered by different Federal agencies, this guidance provides the primary components for understanding and implementing an integrated American Job Center network. Consistent with the requirement to promote increased public identification of the one-stop delivery system and the requirement for the use of a common identifier across the nation (WIOA sec. 121(e)(4)), the U.S. Department of Labor (DOL), in coordination with the U.S. Department of Education (ED), established the “American Job Center” network, a unifying name and brand that identifies online and in-person workforce development services as part of a single network of publicly-funded services. The use of the American Job Center network designation in this guidance establishes a framework for accentuating and implementing an integrated workforce delivery system. DOL and ED, in partnership with the U.S. Department of Health and Human Services (HHS) (collectively, the Departments), published the WIOA Joint Rule for Unified

| | |
|----------------------------|--------------------------------------|
| RESCISSIONS None | EXPIRATION DATE Continuing |
|----------------------------|--------------------------------------|

and Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions; Final Rule (Joint WIOA Final Rule) on August 19, 2016, in the Federal Register at 81 FR 55791. The Joint WIOA Final Rule, which became effective on October 18, 2016, can be found at: <https://www.federalregister.gov/documents/2016/08/19/2016-15977/workforce-innovation-and-opportunity-act-joint-rule-for-unified-and-combined-state-plans-performance>.

This guidance is being issued jointly by DOL's Employment and Training Administration (ETA), ED's Office of Career, Technical, and Adult Education (OCTAE) and Office of Special Education and Rehabilitative Services' Rehabilitation Services Administration (RSA), and HHS's Administration for Children and Families (ACF). The guidance also links to other technical assistance resources that support States and local areas as they work to implement an integrated American Job Center network.

2. **References.** See Attachment I.
3. **Background.** The vision for the American Job Center network reflects the long-standing and ongoing work of dedicated workforce professionals to align a wide range of publicly- or privately-funded education, employment, and training programs, while also providing high-quality customer service to all job seekers, workers, and businesses.

The creation of the integrated one-stop locations was a cornerstone of the Workforce Investment Act of 1998 (WIA). In the years between the passage of WIA and WIOA, the public workforce development system tested a variety of approaches to maximize the benefits that customers and their communities receive from American Job Centers. In the last ten years, technological advances have opened up new methods of service delivery and evidence-based models to build upon our shared understanding of best practices. Further, during the past few years, Federal agencies have worked collectively to reform Federal employment, education, and training programs to create a more integrated, job-driven, public workforce system. As a result of this work, American Job Centers continue to be valued community resources, acknowledged both locally and nationally as a critical source of assistance for individuals looking for work or opportunities to grow in their careers, and employers looking for human resource assistance.

WIOA builds on the value of the American Job Center network and provides the workforce development system with important tools to enhance the quality of its American Job Centers. WIOA strengthens the ability of States, regions, and local areas to align investments in workforce, education, and economic development to respond to regional job growth. WIOA also emphasizes achieving results for all job seekers, workers, and businesses.

Finally, WIOA reinforces the partnerships and strategies necessary for American Job Centers to provide all job seekers and workers with the high-quality career, training, and supportive services they need to obtain and maintain good jobs. Such strategies help businesses find skilled workers and access other human resource assistance, including education and training, to meet their current workforce needs.

1. **American Job Center Network.**
 - A. **Characteristics of the American Job Center Network.** The American Job Center network includes six core programs: title I Adult, Dislocated Worker, and Youth

programs; the title II Adult Education and Family Literacy Act (AEFLA) program; the Wagner-Peyser Act Employment Service (ES) program, authorized under the Wagner-Peyser Act, as amended by title III of WIOA; and the Vocational Rehabilitation (VR) program, authorized under title I of the Rehabilitation Act of 1973, as amended by title IV of WIOA. The American Job Center network also includes other required and additional partners identified in WIOA and discussed in section five of this TEGL. Through the American Job Centers, these partner programs and their direct service providers ensure businesses and all job seekers—a shared client base across the multiple programs—have access to information and services that lead to positive educational and employment outcomes. Under WIOA, American Job Centers and partner staff strive to:

- Provide job seekers with the skills and credentials necessary to secure and advance in employment with wages that sustain themselves and their families;
- Provide access and opportunities to job seekers, including individuals with barriers to employment, as defined in section 3(24) of WIOA, such as individuals with disabilities, individuals who are English language learners, and individuals who have low levels of literacy, to prepare for, obtain, retain, and advance in high-quality jobs and high-demand careers;
- Enable businesses and employers to easily identify and hire skilled workers and access other human resource assistance, including education and training for their current workforce, which may include assistance with pre-screening applicants, writing job descriptions, offering rooms for interviewing, and consultation services on topics like succession planning and career ladder development, and other forms of assistance.
- Participate in rigorous evaluations that support continuous improvement of American Job Centers by identifying which strategies work better for different populations; and
- Ensure that high-quality integrated data inform decisions made by policy makers, employers, and job seekers.

The management of the American Job Center network is the shared responsibility of States, local workforce development boards (WDBs), elected officials, the six WIOA core program partners, required one-stop partners and other additional one-stop partners, American Job Center operators, and service providers. Through the American Job Center, the one-stop operator carries out the activities described below:

- Facilitates integrated partnerships that seamlessly incorporate services for the common customers served by multiple program partners of the American Job Center.
- Develops and implements operational policies that reflect an integrated system of performance, communication, and case management, and uses technology to achieve integration and expanded service offerings.

- Organizes and integrates American Job Center services by function (rather than by program), when permitted by a program's authorizing statute and, as appropriate, through coordinating staff communication, capacity building, and training efforts. Functional alignment includes having American Job Center staff who perform similar tasks serve on relevant functional teams (e.g., skills development team or business services teams).
 - Service integration focuses on serving all customers seamlessly (including targeted populations) by providing a full range of services staffed by relevant functional teams, consistent with the purpose, scope, and requirements of each program.
 - Integrated American Job Centers also ensure that:
 - Center staff are trained and equipped in an ongoing learning environment with the skills and knowledge needed to provide superior service to job seekers, including those with disabilities, and businesses in an integrated, regionally focused framework of service delivery, consistent with the requirements of each of the partner programs.
 - Center staff are cross-trained, as appropriate, to increase staff capacity, expertise, and efficiency. This allows staff from differing programs to understand other partner programs' services, and share their own expertise related to the needs of specific populations so that all staff can better serve all customers.
 - Center staff are routinely trained so they are keenly aware as to how their particular work function supports and contributes to the overall vision of the Local WDB, as well as within the American Job Center network. This enhances their ability to ensure that a direct linkage to partner programs is seamlessly integrated within the center.

B. Benefits of Participating in an Integrated American Job Center Network. There are significant benefits to partner participation in the American Job Center network. The clear benefit is better outcomes for customers, both job seekers and businesses. The following is not an exhaustive list of benefits, but provides some of the many advantages inherent in partnering in an integrated one-stop delivery system:

- **Expanded workforce services for individuals at all levels of skill and experience.** All customers, including those with disabilities or other barriers to employment, have the opportunity to receive hard and soft skills guidance, career planning and job placement services, particularly timely labor market demand and occupational information, and a variety of job-driven training options, including work-based training opportunities such as registered apprenticeship, on-the-job training (OJT), and incumbent worker training.

- **Access to multiple employment and training resources.** Access to multiple program resources, including necessary supportive services that may not be offered by or available through one individual program. Access to multiple resources in one location also reduces the travel and commuting distances for customers needing referrals to or the receipt of multiple services. Access to multiple resources may also facilitate the leveraging and braiding of resources across systems for individual customers, as appropriate.
- **Integrated and expert intake process for all customers entering the American Job Centers.** Frontline staff are highly familiar with the functions and basic eligibility requirements of each program, appropriately assist customers, and make knowledgeable referrals to partner programs, as appropriate, given the authorized scope of, and eligibility requirements for, each program.
- **Integrated and aligned business services strategy among American Job Center partners.** As part of an aligned team, partners have access to a wider range of business engagement strategies, increasing the opportunity for better placement services and outcomes for all customers. This partnership also allows for a unified voice for the American Job Center in its communications with area employers.
- **Expert advice from multiple sources.** Customers, including individuals with barriers to employment, can benefit from multiple levels of staff expertise, guidance, and advice across programs. This enhances job seekers' experiences and increases their chances for success in the evolving labor market.
- **Relevance to labor market conditions.** All workforce development activities occur within the context of a regional economy. Services provided should be informed by data on labor market demand in the local area to ensure a positive impact or labor market outcome. This outcome results in a return on investment for the job seeker's time and efforts, and for the workforce program resources expended.
- **Expanded community and industry outreach.** The integrated nature of the American Job Center network extends the one-stop reach to increase customer participation and enrollments, and to engage and support businesses.
- **Strengthened partnerships.** The integrated nature of the American Job Center network also helps in providing seamless workforce services that serve similar populations. Some examples include setting up common intake and assessment, joint outreach activities, and referral processes outlined in agreements implemented between partners in the American Job Center.
- **Encouraging efficient use of accessible information technology** to include, when possible, the use of machine readable forms and other features consistent with modern accessibility standards, such as section 508 Standards (36 CFR part 1194) and the Worldwide Web Consortium's Web Content Accessibility Guidance 2.0, as well as virtual services to expand the customer base and effectively deliver self-services.

C. Comprehensive American Job Centers.

A comprehensive American Job Center, as described in 20 CFR 678.305, 34 CFR 361.305, and 34 CFR 463.305, is a physical location where job seekers and employer customers can access the programs, services, and activities of all required one-stop partners (section 121(b)(1)(B) of WIOA), along with any additional partners as determined by the Local WDB. The one-stop delivery system must include at least one comprehensive physical center in each local area. (See subsection 5.B. below for a full list of required and additional partner programs.) Comprehensive American Job Centers should reflect and exemplify the characteristics of a high-quality American Job Center as described in DOL's TEG L No. 4-15, and ED's RSA-TAC-15-01 and OCTAE Program Memorandum 15-3, entitled *Vision for the One-Stop Delivery System under the Workforce Innovation and Opportunity Act*. Comprehensive one-stop centers should reflect a welcoming environment to all customer groups who are served by the American Job Centers. All American Job Center staff should be courteous and helpful to all job seekers, businesses, and others who interact with the American Job Centers, in person, by telephone, or online.

A comprehensive American Job Center must have:

- 1) At least one WIOA title I staff person physically present, and the Center must provide the career services listed in 20 CFR 678.430, 34 CFR 361.430, and 34 CFR 463.430;
- 2) Access to training services described in 20 CFR 680.200;
- 3) Access to any employment and training activities carried out under section 134(d) of WIOA;
- 4) Access to programs and activities carried out by one-stop partners listed in 20 CFR 678.400 through 678.410, 34 CFR 361.400 through 361.410, and 34 CFR 463.400 through 463.410, including the Wagner-Peyser Act ES program; and
- 5) Workforce and labor market information.

Customers must have access to these programs, services, and activities during regular business days at a comprehensive one-stop center (20 CFR 678.305(c), 34 CFR 361.305(c), and 34 CFR 463.305(c)). The Local WDB may establish other service hours at other times to accommodate schedules of individuals who work on regular business days or who, because of life circumstances, are not able to access the American Job Centers during regular business hours. The Departments encourage access to services outside of regular business hours (i.e., nights and weekends) when doing so is possible and best serves the needs of the American Job Center's customers. Centers not open outside of the regular business hours should have a plan for how they will provide services to individuals who cannot visit a center during regular business hours.

It is important to note that "providing" career services in the comprehensive does not mean that each required partner must provide these services directly on-site at the comprehensive American Job Center. However, it does mean that some career services

must be provided directly on-site. Career services may be provided through access to one-stop partner programs and activities, which, as described in 20 CFR 678.305(d), 34 CFR 361.305(d), and 34 CFR 463.305(d), may be delivered in one of three ways:

- Option 1. Having a program staff member physically present at the American Job Center;
- Option 2. Having a staff member from a different partner program physically present at the American Job Center and *appropriately trained* to provide information to customers about the programs, services, and activities available through all partner programs; or
- Option 3. Making available a direct linkage through technology to a program staff member who can provide meaningful information or services.

The options above offer a wide range of possibilities to partners. Option 2 could require varying levels of assistance depending on the program's needs, but this could be as simple as having an adequately trained Wagner-Peyser ES staff member providing basic program information to a one-stop customer regarding the Job Corps program. In this example, the partner staff member has been trained by someone from the Job Corps program on basic eligibility requirements as well as how to access and complete an enrollment application. Once the application is completed, the partner staff member will connect the customer to a Job Corps representative who can further assist the customer through the enrollment process. This option allows for the customer to receive high-quality service through the American Job Center, in a timely manner. In this example, it would be essential that the Wagner-Peyser Act ES staff person providing information about the Job Corps program document his or her time and effort to ensure that the charges to the appropriate program, namely the Job Corps program, for salaries and wages are based on records, that accurately reflect the work performed consistent with Federal cost principles in the Uniform Guidance at 2 CFR 200.430.

Option 3, a direct linkage, can take many forms as well. As described in 20 CFR 678.305(d)(3), 34 CFR 361.305(d)(3), and 34 CFR 463.305(d)(3), a "direct linkage" means providing a direct connection at the American Job Center within a reasonable time, by phone or through a real-time Web-based communication, to a program staff member who can provide program information or services, including career services, to the customer. Solely providing a phone number, Web site, information, pamphlets, or materials does not constitute a "direct linkage".

The flexibility provided through the three optional methods for assuring customer access to required one-stop partner services and activities at the comprehensive centers, ensures that dispersed programs, such as the National Farmworker Jobs Program, Job Corps, or Indian and Native American programs, remain accessible through the American Job Center network.

Local WDBs, in conjunction with the partners and one-stop operator(s), must establish the method or means of providing access to partner programs and document such means or methods in their Memoranda of Understanding (MOUs). All comprehensive American Job Centers must be physically and programmatically accessible to individuals with disabilities, as described in section 188 of WIOA and its implementing regulations

at 29 CFR part 38 (Final Rule published at 81 FR 87130 (Dec. 2, 2016)). To ensure meaningful access to all customers, American Job Centers should incorporate the principles of universal and human-centered design. These principles include, for example, flexibility in space usage; the use of pictorial, written, verbal, and tactile modes to present information for customers with disabilities or English language learners; providing clear lines of sight to information for seated or standing users; providing necessary accommodations; and providing adequate space for the use of assistive devices or personal assistants.

D. Affiliate American Job Centers.

Local WDBs may also choose to operate other access points to services in addition to comprehensive American Job Centers. Such access points are called affiliate or specialized American Job Centers, and are created to supplement and enhance customer access to American Job Center services. These sites make one or more of the one-stop partners' programs, services, and activities available to job seekers and employers.

Public libraries are an example of an additional access point that Local WDBs can use as affiliate American Job Centers. In addition to offering public computers and Internet access for job seekers and individuals, many libraries also provide space for businesses to host career fairs and networking events. As trusted institutions within their communities, libraries are often at the frontline of employment and training related inquiries. Additionally, libraries also serve school-aged youth who can use public resources for career and education planning, along with the traditional adult job seeker.

Every day, people in communities across the United States use libraries to access the Internet for career development—boosting their skills through online learning, improving their English literacy and digital literacy, and finding work. Public libraries can do even more with better collaboration with State and Local WDBs. WIOA explicitly identifies public libraries as potential partners of the American Job Center network (WIOA sec. 121(b)(2)(B)(vii)), which acknowledges a library's ability to provide an expansive array of job search services, including a remote location for filing for unemployment compensation. This also recognizes libraries as important providers of Federally-supported training and employment for adult education and literacy. (See Training and Employment Notice 35-15 - *Encouraging Collaborations between the Workforce Investment System and Public Libraries to Meet Career and Employment Needs*, for additional information.)

Affiliated sites, as described in 20 CFR 678.310, 34 CFR 361.310, and 34 CFR 463.310, allow for more flexibility in terms of the services one-stop partner programs provide. These sites do not need to provide access to every required one-stop partner program. Just as is required of comprehensive American Job Centers, affiliated sites must be physically and programmatically accessible to individuals with disabilities, as required by section 188 of WIOA and its implementing regulations at 29 CFR part 38. The frequency of program staff's physical presence in an affiliated site will be determined through partner MOU negotiations at the local level, within the parameters of the Federal regulations at 20 CFR 678.310 through 678.320, 34 CFR 361.310 through 361.320, and 34 CFR 463.310 through 463.320

Based on local workforce needs, the Local WDB, in conjunction with the partners and

one-stop operator(s), may determine that a specialized center, as described in 20 CFR 678.320, 34 CFR 361.320, and 34 CFR 463.320, is more appropriate to serve a particular population and may choose to operate a specialized center(s). For example, a specialized center may be established to serve a specific group of dislocated workers affected by a regional lay-off. In this example, the specialized center would provide a variety of services tailored to the needs of the dislocated workers, including career coaching, networking opportunities, comprehensive assessment, and employer meetings. The specialized center could also provide flexible office hours, such as evenings and weekends, to support the job search needs of the dislocated workers served by that specialized center. Other specialized centers may be established for youth, veterans, or other specified groups as determined by the Local WDB.

Specialized centers do not need to provide access to every required partner, but should be knowledgeable about, and prepared to make referrals to, American Job Center partners in the comprehensive or affiliate American Job Centers. Partner services provided through specialized one-stop centers must also be determined through partner negotiations at the local level and incorporated into the MOU.

E. Co-location of Wagner-Peyser Act ES Offices.

WIOA recognizes the Wagner-Peyser Act ES program's role in the American Job Center network and, as a result, has made the Wagner-Peyser Act ES one of the six core programs. Accordingly, the Departments recognize that Wagner-Peyser Act ES programs are vital to the successful operation of American Job Centers and strongly encourage access to these services throughout the workforce development system.

A major change to the American Job Center network under WIOA is the discontinuance of separate, stand-alone Wagner-Peyser Act ES offices that were permitted under WIA (20 CFR 678.315, 34 CFR 361.315, and 34 CFR 463.315). Under WIOA, Wagner-Peyser Act ES programs must be co-located in comprehensive and/or affiliate American Job Centers. If the Wagner-Peyser Act ES is part of an affiliate American Job Center, the affiliate American Job Center must include at least one or more other partners with a physical presence of combined staff more than 50 percent of the time the center is open. In other words, if the Wagner-Peyser Act ES is located in an affiliated site, there must be staff of at least one other partner in that affiliated site that is physically present more than 50 percent of the time the center is open.

Additionally, 20 CFR 678.315(b), 34 CFR 361.315(b), and 34 CFR 463.315(b) specify that the partner program administering local veterans' employment representatives, disabled veterans' outreach program specialists, or unemployment compensation programs would not count as the other partner for purposes of this requirement. Therefore, if Wagner-Peyser Act ES and any of these three programs are provided at an affiliated site, an additional partner or partners must have a presence of combined staff in the center of more than 50 percent of the time the center is open. These and other Wagner-Peyser Act ES requirements will be addressed further in upcoming DOL-administered program-specific guidance.

The Departments understand that States will need a reasonable amount of time to fully integrate the delivery of the Wagner-Peyser Act ES programs into the American Job

Center network. However, States are required to co-locate Wagner-Peyser Act ES services as soon as reasonably possible. In response to its program-specific WIOA Notice of Proposed Rulemaking, DOL received several comments asking how to operationalize the co-location requirement. Given the diversity of how States have previously structured their Wagner-Peyser Act ES, the Departments are giving States discretion in determining how to operationalize the requirement for co-location. However, States are required to include the steps they will take to co-locate the Wagner-Peyser Act ES into their Unified or Combined State Plan.

5. Partner Roles and Responsibilities in the American Job Center Network.

- A. **One-Stop Partners.** Section 121(b) of WIOA identifies the required and additional one-stop partner programs. Generally, the entity that carries out the program serves as the one-stop partner. This may be the grant recipient, administrative entity, or organization responsible for administering the funds of the specified program in a local area. In some local areas, the partner program may be carried out by more than one grant recipient, contractor, or organization. If the Federal grant recipient has issued or awarded part of or its entire program funds to a sub-recipient or subcontractor in accordance with program requirements, the Federal grant recipient remains the entity responsible for fulfilling the roles and responsibilities of a one-stop partner program. It is the responsibility of the Federal grant recipient to ensure that the subrecipient, who is providing services in that local area on its behalf, participates in the one-stop delivery system. If a program does not have a local administrative entity, the responsible State agency is considered the one-stop partner. The joint regulations at 20 CFR 678.415, 34 CFR 361.415, and 34 CFR 463.415 provide more specific information on which entities are the one-stop partners for the VR and AEFLA programs (two of the six WIOA core programs), as well as for certain other required partner programs.

A program becomes a one-stop partner when it begins carrying out the program or activity in a local area. As explained in 20 CFR 678.415, 34 CFR 361.415, and 34 CFR 463.415, if a partner is not carrying out its program or activities in the local area, the requirements relating to a required one-stop partner are not applicable to that partner program. Carrying out a program or activity means that the partner is providing any of the services its grant, contract, or program requires. One of the critical requirements that a one-stop partner must satisfy is signing the local MOU, which describes the services to be provided, infrastructure and additional costs and contributions, the duration of the agreement, and other elements described in section 6 of this document and additionally outlined in section 121(c) of WIOA and 20 CFR 678.500, 34 CFR 361.500, and 34 CFR 463.500.

- B. **Required and Additional One-Stop Partner Programs.** The chart below identifies the required one-stop partner programs, followed by a section on the additional partners. Attachment II of this TEGL provides a brief description of the one-stop partner programs, along with some options for aligning and integrating service delivery through the American Job Center network.

| Required Department of Labor programs | |
|---|--|
| Adult (WIOA title I formula) | Senior Community Service Employment Program (title V of the Older Americans Act of 1965) |
| Dislocated Worker (WIOA title I formula) | Trade Adjustment Assistance activities (Trade Act of 1974, as amended) |
| Youth (WIOA title I formula) | Jobs for Veterans State Grants (Chapter 41 of title 38) |
| YouthBuild (WIOA title I) | Unemployment Compensation programs |
| Indian and Native American Programs (WIOA title I) | Wagner-Peyser Act ES, as authorized under the Wagner-Peyser Act, as amended by WIOA title III |
| National Farmworker Jobs Programs (NFJP)/Migrant and Seasonal Farmworker Programs (WIOA title I) | Reentry Employment Opportunities (REO) program (formerly referred to as the Reintegration of Ex-Offenders (ReXO) program) (Section 212 of the Second Chance Act of 2007 and WIOA sec. 169) |
| Job Corps (WIOA title I) | |
| Required Department of Education programs | |
| AEFLA program (WIOA title II) | Career and technical education programs at the postsecondary level, authorized under the Carl D. Perkins Career and Technical Education Act of 2006 |
| State VR program, authorized under title I of the Rehabilitation Act of 1973, as amended by WIOA title IV | |
| Required Department of Health and Human Services programs | |
| Programs authorized under the Social Security Act title IV, part A (TANF) ¹ | Community Services Block Grant Employment and Training activities (Community Services Block Grant Act) |
| Required Department of Housing and Urban Development (HUD) program | |
| Employment and training programs | |

Required one-stop partner programs have specific governance, operations, and service delivery roles within the American Job Center network. In accordance with 20 CFR 678.420, 34 CFR 361.420, and 34 CFR 463.420, each required one-stop partner program must:

- Provide access to its programs or activities through the American Job Center network, in addition to any other appropriate locations (i.e., affiliated or specialized sites);

¹ A Governor may determine that TANF is not a required partner in a State or in specific local area(s) in the State. If the Governor makes this decision, the Governor must notify in writing the Secretaries of the U.S. Departments of Labor and Health and Human Services. Additionally, the State should notify the Director of the Office of Family Assistance in the Administration for Children and Families in HHS. If a Governor determines that TANF is not a required one-stop partner, local TANF programs may still elect to partner or work in collaboration with a one-stop center, unless it is inconsistent with the Governor's direction.

- Use a portion of its funds, to the extent consistent with the relevant authorizing statute and with the Uniform Guidance at 2 CFR parts 200, 2900, and 3474 (requiring, among other things, that costs are allowable, reasonable, necessary, and allocable) to:
 - Provide applicable career services; and
 - Work collaboratively with the State and Local WDBs to establish and maintain the one-stop delivery system. This includes jointly funding the one-stop infrastructure costs through partner contributions.
- Enter into an MOU that meets the requirements of 20 CFR 678.500(b), 34 CFR 361.500(b), and 34 CFR 463.500(b) with the Local WDB relating to the operation of the American Job Center network;
- Participate in the operation of the American Job Center network consistent with the terms of the MOU, requirements of authorizing laws and implementing regulations, Federal cost principles, and all other applicable legal requirements; and
- Provide representation on the State WDB and Local WDBs as required, and participate in Board committees, as needed.

The lead State official with primary responsibility for the core program partners must be represented on both the State and Local WDBs. While these entities are not required to serve on Local WDBs, the Departments encourage them to have a voice in key Local WDB activities and notes that they are not precluded from serving on the Local WDB. For example, the State entity for adult education and literacy activities may designate eligible providers to fulfill the roles and responsibilities of the required partner. Federal regulations at 20 CFR 679.320(d)(1) require that at least one eligible provider of adult education and literacy activities under title II be on the Local WDB. A chief elected official (CEO) may consider an eligible provider that has been designated to carry out roles and responsibilities of the one-stop partner from nominations for adult education and literacy membership on the Local WDB.

Additional one-stop partners may include, with the approval of the Local WDB and CEOs, Social Security Administration employment and training programs (i.e., Ticket to Work and Self Sufficiency programs); Department of Agriculture's Supplemental Nutrition and Assistance Program (SNAP) employment and training programs; the Client Assistance Program, authorized under section 112 of the Rehabilitation Act of 1973, as amended by title IV of WIOA; National and Community Service Act Programs; employment and training programs carried out by the Small Business Administration; and other appropriate Federal, State or local programs, including, but not limited to, employment, education, or training programs such as those operated by libraries, foundations, community-based organizations, or in the private sector. Partnerships with the local mental health and transportation agencies also provide opportunities to complement and streamline supportive services through the American Job Center network.

C. Career Services.

The Joint WIOA Final Rule requires the provision of "career services" through the American Job Center network, to support and empower customers in making informed decisions based on local and regional economic demand and in achieving their personal

employment and education goals (20 CFR 678.430, 34 CFR 361.430, and 34 CFR 463.430). All applicable career services must be made available (i.e., provided) in at least one comprehensive American Job Center in each local area. As stated in section 4.C. of this guidance, these services also may be provided and accessed through one of the aforementioned methods. Some or all of the career services may also be available either at affiliated sites or specialized centers.

Career services provide local areas and service providers with flexibility to target services to the needs of the customer. For example, a recently laid off customer may only require local labor market information to prepare for a new job, whereas an entry level worker may need a comprehensive assessment in order to establish a baseline for determining appropriate training options. There are three types of career services: basic career services; individualized career services; and follow-up career services. The distinction between basic career services and individualized career services is not intended to imply that there is a sequence of services, which was eliminated under WIOA. Rather, the distinction is to clarify that, while basic career services are available to all participants, individualized career services are available to participants after American Job Center staff have determined that such services are required to retain or obtain employment

1) Basic Career Services (20 CFR 678.430(a), 34 CFR 361.430(a), and 34 CFR 463.430(a))

At a minimum, all of the basic career services described in WIOA secs. 134(c)(2)(A)(i)-(xi), and 20 CFR 678.430(a), 34 CFR 361.430(a), and 34 CFR 463.430(a), must be provided in each local area through the one-stop delivery system. Basic career services must be made available and, at a minimum, must include the following services:

- Determinations of whether the individual is eligible to receive assistance from the adult, dislocated worker, or youth programs, including co-enrollment among these programs;
- Outreach, intake (including identification through the state's Worker Profiling and Reemployment Services system of Unemployment Insurance (UI) claimants likely to exhaust benefits), and orientation to information and other services available through the one-stop delivery system. For the TANF program, States must provide individuals with the opportunity to initiate an application for TANF assistance and non-assistance benefits and services which could be implemented through the provision of paper application forms or links to the application Web site;
- Initial assessment of skill levels, including literacy, numeracy, and English language proficiency, as well as aptitudes, abilities (including skills gaps), and supportive service needs;
- Labor exchange services, including—
 - Job search and placement assistance, and, when needed by an individual, career counseling, including the provision of—
 - information on in-demand industry sectors and occupations;
 - information on nontraditional employment;
 - information from career profiles and interest inventories, and

- Referrals to, and coordination of activities with, other programs and services, including those within the American Job Center network and, when appropriate, other workforce development programs;
- Workforce and labor market employment information, including accurate information relating to local, regional, and national labor market areas, including—
 - Job vacancy listings in labor market areas;
 - Information on job skills necessary to obtain the vacant jobs listed;
 - Information relating to local occupations in-demand; and the earnings, skill requirements, and opportunities for advancement for occupations in demand;
- Provision of performance information and program cost information on eligible providers of training services by program and type of providers and workforce services by program and type of providers;
- Provision of information, in usable and understandable formats and languages, about how the local area is performing on local performance accountability measures, as well as any additional performance information relating to the area's American Job Center network;
- Provision of information, in usable and understandable formats and languages, relating to the availability of supportive services or assistance, and appropriate referrals to those services and assistance, including: child care; child support; medical or child health assistance available through the State's Medicaid program and Children's Health Insurance Program; benefits under SNAP; assistance through the earned income tax credit; housing counseling and assistance services sponsored through HUD²; and assistance under a State program for TANF, and other supportive services and transportation provided through other programs or agencies;
- Assistance in establishing eligibility for financial aid assistance for training and education programs not provided under WIOA; and
- Provision of information and assistance regarding filing claims under UI programs, including meaningful assistance to individuals seeking assistance in filing a claim—
 - "Meaningful assistance," as described in Unemployment Insurance Program Letter (UIPL) 20-15 and 20 CFR 678.430, 34 CFR 361.430, and 34 CFR 463.430, means providing assistance as follows:
 - Only merit staff (State government employees) may, in person at one-stop centers or remotely, answer questions, provide advice, or make decisions that could affect claimants' UI eligibility. However, other one-stop staff may assist in claims by acceptance of information from claimants.
 - If an individual in a one-stop center is referred to a telephone for UI claims assistance, it must be a phone line dedicated to serving one-stop customers in a timely manner. Individuals must not simply be referred to a general information/dial-in line with the state UI agency contact center where the individual is placed into a

² HUD Approved Housing Counseling Agencies, <http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm>

phone queue along with all other claimants in the State. If the assistance is provided remotely using technology, it must be a technology that enables trained staff to provide the assistance. Examples of technology that enables remote assistance include live Web chat applications, video conference applications, or other similar technology.

- The costs associated in providing meaningful assistance may be paid for by the State's UI program, the WIOA Adult or Dislocated Worker programs, the Wagner-Peyser Act ES, or some combination of these programs.
- For purposes of the VR program, basic career services may encompass some of the activities authorized under 34 CFR 361.48(b), which must be provided under an individualized plan for employment for an eligible individual with a disability (e.g., assessments for determining VR needs).

2) Individualized Career Services (20 CFR 678.430(b), 34 CFR 361.430(b), and 34 CFR 463.430(b))

If one-stop center staff, including designated partner program staff, determine that individualized career services are necessary for an individual to obtain or retain employment, these services must be made available to the individual. These services must be available in all comprehensive one-stop centers. American Job Center staff may use recent previous assessments by partner programs to determine if individualized career services are needed.

Individualized career services include:

- Comprehensive and specialized assessments of the skill levels and service needs of adults and dislocated workers, which may include—
 - Diagnostic testing and use of other assessment tools; and
 - In-depth interviewing and evaluation to identify employment barriers and appropriate employment goals;
- Development of an individual employment plan, to identify the employment goals, achievement objectives, and the combination of services for the participant to achieve his or her employment goals, including the list of, and information about, eligible training providers;
- Group counseling, which involves two or more participants addressing certain issues, problems, or situations that may be shared by the group members;
- Individual counseling, which is a one-on-one session that may go into greater detail for a participant regarding certain issues, problems, or situations;
- Career planning (e.g. case management, see WIOA sec. 3(8));
- Short-term pre-vocational services, including development of learning skills, communication skills, interviewing skills, punctuality, personal maintenance skills, and professional conduct services to prepare individuals for unsubsidized employment or training;
- Internships and work experiences (including transitional jobs) that are linked to careers;
- Workforce preparation activities (*see* 34 CFR 463.34);

- Financial literacy services available through the WIOA title I youth program as described in WIOA sec. 129(b)(2)(D) and 20 CFR part 681, including:
 - Supporting the ability of participants to create household budgets, initiate savings plans, and make informed financial decisions about education, retirement, home ownership, wealth building, or other savings goals;
 - Supporting the ability to manage spending, credit, and debt, including credit card debt, effectively;
- Out-of-area job search assistance and relocation assistance; and
- English language acquisition programs (*see* 34 CFR 463.31) and integrated education and training programs (*see* 34 CFR 463.35).

For purposes of the VR program and similar to basic career services, individualized career services may encompass some of the activities authorized under 34 CFR 361.48(b), which must be provided under an individualized plan for employment for an eligible individual with a disability (e.g., vocational rehabilitation counseling and guidance, vocational and other training services, and rehabilitation technology).

3) Follow-up Career Services (20 CFR 678.430(c), 34 CFR 361.430(c), and 34 CFR 463.430(c))

Follow-up services must be provided, as appropriate, for Adult and Dislocated Worker program participants who are placed in unsubsidized employment, for up to 12 months after the first day of employment. Counseling about the work place is an appropriate type of follow-up service. States and local areas should establish policies that define what are considered to be appropriate follow-up services for the Adult and Dislocated Worker programs. Follow-up services do not extend the date of exit in performance reporting. For purposes of the VR program, follow-up career services are similar to post-employment services, as defined in 34 CFR 361.5(c)(42), and are provided subsequent to an individual with a disability achieving an employment outcome. Post-employment services, under the VR program, are necessary in assisting an individual with a disability in maintaining, regaining, or advancing in employment, consistent with the individual's unique strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice.

D. Business Services (20 CFR 678.435, 34 CFR 361.435, and 34 CFR 463.435)

The Joint WIOA Final Rule requires the provision of "business services" through the American Job Center network, to support a local workforce development system that meets the needs of businesses in the local area (20 CFR 678.435, 34 CFR 361.435, and 34 CFR 463.435). Through the American Job Centers, applicable one-stop partners develop, offer, and deliver quality business services that assist businesses and industry sectors in overcoming the challenges of recruiting, retaining, and developing talent for the regional economy. To support area employers and industry sectors most effectively, American Job Center staff, including designated partner program staff, must:

- Have a clear understanding of industry skill needs;

- Identify appropriate strategies for assisting employers, and coordinate business services activities across American Job Center partner programs, as appropriate; and
- Incorporate an integrated and aligned business services strategy among American Job Center partners to present a unified voice for the American Job Center in its communications with employers.

Certain career services must be made available to local employers, specifically labor exchange activities and labor market information, as described in 20 CFR 678.430(a)(4)(ii) and (a)(6), 34 CFR 361.430(a)(4)(ii) and (a)(6), and 34 CFR 463.430(a)(4)(ii) and (a)(6). Local areas must establish and develop relationships and networks with large and small employers and their intermediaries. Local areas also must develop, convene, or implement industry or sector partnerships.

Customized business services may be provided to employers, employer associations, and other such organizations. These services are tailored for specific employers and may include:

- Customized screening and referral of qualified participants in career and training services to employers; and
- Writing/reviewing job descriptions and employee handbooks.

Local areas may also provide other business services and implement strategies that meet the workforce development needs of area employers, in accordance with partner programs' statutory and regulatory requirements and consistent with Federal cost principles. Allowable activities include, but are not limited to, developing and implementing industry sector strategies (including strategies involving industry partnerships, regional skills alliances, industry skill panels, and sectoral skills partnerships).

WIOA also allows customized employer-related services to be provided on a fee-for-service basis. The joint regulations at 20 CFR 678.440, 34 CFR 361.440, and 34 CFR 463.440 clarify that there is no requirement that a fee-for-service be charged to employers, but there is no prohibition against doing so either. However, no fee may be charged for the career services that must be made available to local employers. The Local WDBs, however, should examine available resources and assets to determine an appropriate cost structure for those services for which it is permissible to charge a fee-for-service. The Departments consider any fees earned for these services to be program income, and the one-stop partners must expend the program income in accordance with the partner program's authorizing statute, implementing regulations, and Federal cost principles in the Uniform Guidance.

More detailed information regarding specific business engagement strategies, including Rapid Response (strategies and activities necessary to plan for and respond as quickly as possible following an announcement of a permanent closure, mass layoff, or natural or other disaster which results in mass job loss) and work-based training options (i.e., incumbent worker training and Registered Apprenticeship), will be further addressed in upcoming DOL program-specific guidance.

(Note: This is not an exhaustive list of business services available through the American Job Center network, but is meant to illustrate some of WIOA's flexibilities and services to improve business and employment opportunities. For example, American Job Centers may offer rooms for interviewing, provide human resource consultation services such as succession planning and staffing and retention assistance for small businesses and start-ups, help employers develop career ladders within their organizations, etc.)

6. Memorandum of Understanding (MOU). The MOU is an agreement developed and executed by the Local WDB and the one-stop partners, with the agreement of CEO and the one-stop partners, relating to the operation of the one-stop delivery system (20 CFR 678.500, 34 CFR 361.500, and 34 CFR 463.500). As the management of the American Job Center network is the shared responsibility of States, Local WDBs, elected officials, the WIOA core programs, the required one-stop partners (as defined at 20 CFR 678.400, 34 CFR 361.400, and 34 CFR 463.400), other entities that may serve as additional one-stop partners (as defined at 20 CFR 678.410, 34 CFR 361.410, and 34 CFR 463.410), and American Job Center operators, the Departments expect local areas to use a collaborative and good-faith approach to negotiations and encourage all of these entities to work together in developing an MOU that demonstrates the spirit and intent of WIOA, thereby ensuring the successful integration and implementation of partner programs in American Job Centers.

A. Types of Memorandum of Understanding

To facilitate transparent and flexible agreements, the Departments encourage Local WDBs to develop a single "umbrella" MOU that addresses issues related to the local American Job Center network, its CEO, and all partners. Local WDBs, with the agreement of the CEO, may still enter into separate agreements between each partner or groups of partners; however, the aim of the "umbrella" MOU is to allow partner programs to focus on service delivery and not the process of negotiating several MOUs (20 CFR 678.505(a), 34 CFR 361.505(a), and 34 CFR 463.505(a)).

B. Key Elements of a Memorandum of Understanding

The MOU is the product of local discussion and negotiation. The Local WDB, with the agreement of the CEO, develops and enters into a signed MOU with the one-stop partners, as described above. MOUs must, at a minimum, describe the services to be provided and contain agreement on funding the costs of services and the operating costs of the system, as well as several other elements outlined in section 121(c) of WIOA and 20 CFR 678.500, 34 CFR 361.500, and 34 CFR 463.500. The MOU must include the following:

- **Services** – The MOU must include a description of the services provided through the American Job Center network, which includes: the method or means of providing partner access to those services; the frequency of program staff's physical presence in an affiliated site, and how specialized one-stop centers, as needed, will be implemented. The MOU also must include a description of the coordinated delivery of services in the system and methods for referring individuals between the one-stop operators and partners for appropriate services and activities.
- **One-Stop Operating Budget** – The one-stop operating budget is the financial

- plan that the one-stop partners, and Local WDB agree will be used to achieve the MOU's goals of delivering services in a local area. The MOU must contain, among other things, provisions describing how the costs of services provided by the one-stop system (including career services and other shared services) and the operating costs of such system will be funded, including the infrastructure costs for the one-stop system (WIOA sec. 121(c)(2)(A)). The one-stop operating budget may be considered the master budget that contains a set of individual budgets or components that consist of two types of costs that are specifically outlined in the statute: infrastructure costs, defined in WIOA sec. 121(h)(4); and additional costs, which consist of shared operating costs and shared services that are related to the operation of the one-stop delivery system (but do not constitute infrastructure costs), described in WIOA sec. 121(i).
The information required to be included in the infrastructure funding agreement (IFA) is found in 20 CFR 678.755, 34 CFR 361.755, and 34 CFR 463.755; and the information required for an interim IFA is described in 20 CFR 678.715(c), 34 CFR 361.715(c), and 34 CFR 463.715(c). The Departments will soon issue joint guidance providing more detailed information on one-stop operating costs.
- **Access** – The MOU must include methods to ensure the needs of workers, youth, and individuals with barriers to employment, including individuals with disabilities, are addressed in providing access to services, including access to technology and materials available through the one-stop system.
- **Referral** – The MOU must include methods for referral to appropriate services and activities between one-stop operators and partner programs.
- **Duration** - The MOU must include provisions specifying its duration and the procedures for amending it. The MOU must contain assurances that it will be reviewed and, if substantial changes have occurred, be renewed. The MOU must be renewed not less than once every three years.
- **Other Contributors** - The MOU must also include contributions made to the one-stop system through other avenues, such as donations made by a non-partner entity (e.g., a local business donating computers for a learning lab). Third-party in-kind contributions made to supplement the operation of the American Job Center must also be documented.
- **Modification process** - The MOU must include a description of the process for amending it. (See section C. below).
- **Signatories** – The MOU must contain signatures of the CEO, Local WDB director, and authorized representatives of each partner program.
- **Appeals** - If a one-stop partner's appeal to the State regarding infrastructure costs, results in a change to the one-stop partner's infrastructure cost contributions, the MOU must be updated to reflect the final one-stop partner infrastructure cost contributions.

C. **Modification of the Memorandum of Understanding.** The joint regulations at 20 CFR

678.500(b)(5), 34 CFR 361.500(b)(5), and 34 CFR 463.500(b)(5) require the MOU to contain a description of the procedures for amending it. Further, 20 CFR 678.500(b)(6), 34 CFR 361.500(b)(6), and 34 CFR 463.500(b)(6) require renewal of the MOU in certain circumstances. Renewal of an MOU requires all parties to review and agree to all elements of the MOU and re-sign the MOU. Amendment or modification of the MOU only requires the parties to review and agree to the elements of the MOU that changed.

Just as the Departments expect local areas to use a collaborative and good-faith approach with respect to negotiating the development of the MOU, the same is expected with respect to its modifications. Non-substantive changes to the MOU, such as minor revisions to the budget or adjustments made due to the annual reconciliation of the budget, do not require renewal of the MOU. These changes may occur through the local MOU amendment procedures established at the local level (20 CFR 678.500(b)(5), 34 CFR 361.500(b)(5), and 34 CFR 463.500(b)(5)). Substantial changes, such as changes in one-stop partners, or a change due to the election of a new CEO, will require renewal of the MOU (20 CFR 678.500(b)(6), (d), and (e); 34 CFR 361.500(b)(6), (d), and (e); and 34 CFR 463.500(b)(6), (d), and (e)).

A change to the MOU due to the election of a new CEO would ensure that the newly-elected official is aware of the local one-stop partners, as well as the terms and conditions of the MOU.

When the local area has created a new IFA, the MOU must be updated in accordance with 20 CFR 678.500(e), 34 CFR 361.500(e), and 34 CFR 463.500(e). For example, a partner's appeal to the State regarding infrastructure costs that results in a change to the one-stop partner's infrastructure cost contributions requires updating the MOU. Updating the MOU does not require renewal of the MOU.

7. **One-Stop Operator/Competition**. A one-stop operator is the entity or consortium of entities that coordinates the service delivery of required one-stop partners and service providers, and that is selected consistent with the requirements of section 121(d) of WIOA (20 CFR 678.600 through 678.635, 34 CFR 361.600 through 361.635, 34 CFR 463.600 through 463.635). ~~WIOA requires the selection of a one-stop operator through a competitive process, consistent with the Uniform Guidance.~~ Competition provides the best method of ensuring that Local WDBs examine operator effectiveness on a periodic basis. Additionally, regular competition allows Local WDBs to make improvements based on their one-stop certification process, particularly in regards to the role of the operator and other service delivery performance and performance metrics that may shift or change as one-stop partners and the Local WDBs update their MOUs.

The Joint WIOA Final Rule requires that States follow the same policies and procedures they use for procurement with non-Federal funds, and requires Local WDBs to use a competitive process consistent with the Uniform Guidance at 2 CFR part 200, including the DOL-specific requirements at 2 CFR part 2900, and the Local WDBs' local procurement policies and procedures that are consistent with the Uniform Guidance. The Uniform Guidance may be found here: <http://www.ecfr.gov>. Additionally, the Joint WIOA Final Rule requires that a competitive process be conducted at least once every four years. The requirement to use a competitive process for one-stop operator selection is found in section 121(d)(2)(A) of WIOA. While the Local WDB must select the one-stop operator through a competitive process at least once every four years, a State may require, or a Local WDB may choose to implement, a

competitive selection process more often than once every four years. DOL will soon issue guidance providing more detailed information on the one-stop competition requirements.

8. **One-Stop Operating Costs.** The one-stop operating budget consists of two types of costs -- infrastructure costs and additional costs (which must include career services and may include other shared costs and shared services). WIOA introduced mandatory funding agreements, with particularly detailed requirements for the funding of infrastructure costs (20 CFR 678.700, 34 CFR 361.700, and 34 CFR 463.700). To help the local areas develop their infrastructure costs budgets, the Governor is required to issue guidance on one-stop infrastructure funding. Infrastructure costs are defined as non-personnel costs necessary for general American Job Center operations, including facility rentals, utilities and maintenance, equipment (including assessment-related products and assistive technology for individuals with disabilities), and technology to facilitate access to the American Job Center (including planning and outreach), and may include costs associated with the common identifier (i.e., American Job Center signage) and supplies, as defined in the Uniform Guidance at 2 CFR 200.94, to support the general operation of the one-stop center. This list is not exhaustive.

All one-stop partner programs are required to contribute to the infrastructure costs and certain additional costs of the one-stop delivery system in proportion to their use and relative benefits received, as required in 20 CFR 678.700 and 678.760, 34 CFR 361.700 and 361.760, and 34 CFR 463.700 and 463.760. The sharing and allocation of infrastructure costs between one-stop partners is governed by WIOA sec. 121(h),

Native American programs are not required to contribute to infrastructure funding but, as required one-stop partners, they are encouraged to contribute. Any agreement regarding the contribution or non-contribution to infrastructure funding by Native American programs must be recorded in the signed MOU (WIOA sec. 121(h)(2)(D)(iv)).

The Departments will soon issue joint guidance providing more detailed information on one-stop operating costs.

9. **American Job Center Certification.** WIOA requires the State WDB, in consultation with CEOs and Local WDBs, to establish objective criteria and procedures to use when certifying its American Job Centers (20 CFR 678.800, 34 CFR 361.800, and 34 CFR 463.800). The certification process establishes a minimum level of quality and consistency of services in American Job Centers across a State. The certification criteria allow States to set standard expectations for customer-focused seamless services from a network of employment, training, and related services that help individuals overcome barriers to obtaining and maintaining employment.

The State WDB must establish objective criteria and procedures for the Local WDBs to use in evaluating the effectiveness, physical and programmatic accessibility, and continuous improvement of American Job Centers. Local WDBs must follow procedures and criteria established by the State WDB and certify its American Job Centers and its American Job Center network at least once every three years (20 CFR 678.800, 34 CFR 361.800, and 34 CFR 463.800); this includes comprehensive, as well as affiliate American Job Centers. Local WDBs may establish additional criteria relating to service coordination achieved by the one-stop delivery system. For example, this may include establishing more flexible business hours to meet the range of customer needs or increasing staff competencies to promote higher level

service coordination to more vulnerable populations. Both the State WDB and Local WDB must review and update the criteria every two years as part of the review and modification of the State and local planning process. The Departments expect that all local area core program partners will complete the certification process using the State-developed criteria and procedures by the end of Program Year (PY) 2016 (June 30, 2017).

A. Example of One-Stop/American Job Center Certification Criteria.

The joint regulations at 20 CFR 678.800, 34 CFR 361.800, and 34 CFR 463.800 describe the specific requirements for the certification process. The Departments will not issue further requirements for certification and will not issue a single national certification checklist. However, below are some previously-used criteria that might guide the development of WIOA one-stop certification standards:

- The use of customer-focused processes such as integrated and expert welcoming and intake for all customers who enter the American Job Center, that consider how front-desk staff and counselors provide seamless and coordinated customer-centered services.
- The frequency and quality of cross-training from differing programs to share expertise about integrated customer flow, needs of specific populations, business engagement expertise, or understanding of different programs offered in the American Job Center and in the community.
- The extent to which staff members can work together across programs on similar functions.
- Regular processes for examining what processes are in place for identifying and responding to technical assistance needs.
- Regular processes of continuing professional staff development to promote high quality staffing.
- The extent to which systems are in place to capture and respond to specific customer feedback.

B. Physical and Programmatic Accessibility.

Evaluations of physical and programmatic accessibility must include how well the American Job Center ensures equal opportunity for individuals with disabilities to participate in or benefit from American Job Center services.

Physical accessibility refers to the extent to which facilities are designed, constructed, or altered so they are accessible and usable by individuals with disabilities. Evaluations of physical accessibility should take into account both external accessibility and internal accessibility. For example, evaluations of external accessibility could include a review of the availability of transportation to the American Job Center and access into the site location via ramps consistent with the Americans with Disabilities Act's (ADA) standards. On the other hand, an evaluation of internal accessibility could include a review of the center's access to bathrooms, adjustable work stations, and appropriate signage, including signage to meet multilingual needs common to the specific region of the State.

Programmatic accessibility refers to the extent to which the full range of services is available to all one-stop customers regardless of disability or cultural background. The

implementing regulations of section 188 of WIOA require that American Job Centers provide programmatic accessibility. As such, American Job Centers must provide reasonable accommodations for individuals with disabilities, administer programs in the most integrated setting appropriate, communicate with persons with disabilities as effectively as with others, and provide appropriate auxiliary aids or services (29 CFR 38.7-38.9).

The evaluations of effectiveness must include criteria evaluating how well the centers and delivery systems take actions to comply with disability-related regulations implementing WIOA section 188. In addition to ensuring compliance with WIOA and the ADA, accessible American Job Centers maximize usage by, and benefit, all customers. The use of universal design and human-centered design often benefit all customers accessing services. For example, closed captioning provides a critical link to information for individuals who are deaf or hard-of-hearing, but can also be a link for those without deafness sitting in the same noisy lobby to get updates. For additional exemplary customer service and service design principles and resources on accessibility, see DOL's Training and Employment Notice (TEN) No. 01-15, *Promising Practices in Achieving Universal Access and Equal Opportunity: A Section 188 Disability Reference Guide*³ and ETA's Disability and Employment Community of Practice.⁴ Also see the evaluation of American Job Center accessibility (20 CFR 678.800, 34 CFR 361.800, and 34 CFR 463.800).

- 10. Common Identifier.** Section 121(e)(4) of WIOA requires each one-stop delivery system to use a common identifier on all products, programs, activities, services, electronic resources, facilities, and related property and new materials. States and local areas are also permitted to use any State- or locally-developed identifier.

The Departments established the "American Job Center" network, a unifying name and brand, that identifies online and in-person workforce development services as part of a single network of publicly-funded services (20 CFR 678.900, 34 CFR 361.900, and 34 CFR 463.900).

The one-stop delivery system must use either that common identifier as its name, or use the tag line phrase "a proud partner of the American Job Center network." Either the plain text or one of the logos may be used. If a logo is used, it must be used in accordance with the guidelines contained in the Graphics Style Guide for Partners, and with the terms of use for the logos, all of which are available at <https://www.dol.gov/ajc>.

DOL provides a toolkit on the <https://www.dol.gov/ajc> and on the Innovation and Opportunity Network (ION) <https://ion.workforcegps.org/resources/2016/09/30/12/11/AJC-Common-Identifier-and-Branding> so that states and local areas can proactively identify one-

³ For additional information, visit http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=3182. The direct link to the *Disability Reference Guide* is located at <https://www.dol.gov/oasam/programs/crc/Section188Guide.pdf><https://www.dol.gov/oasam/programs/crc/Section188Guide.pdf>.

⁴ For additional information, visit <https://disability.workforcegps.org>.

stop centers as "American Job Centers" in outreach materials, Web sites, and other communications. The toolkit can be used as an easy way for job seekers and employers to locate, recognize and access workforce development services, and are appropriate for physical one-stop centers or Web sites. DOL announced the American Job Center brand first in Training and Employment Guidance Letter No. 36-11, available at http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=7695, and DOL and ED required its use in the Joint WIOA Final Rule (20 CFR 678.900, 34 CFR 361.900, and 34 CFR 463.900).

Key Dates: The timeframe for adopting the required rebranding varies depending on the type of material. The Joint WIOA Final Rule at 20 CFR 678.900(b), 34 CFR 361.900(b), and 34 CFR 463.900(b) requires: "As of November 17, 2016, each one-stop delivery system must include the "American Job Center" identifier or "a proud partner of the American Job Center network" on all primary electronic resources used by the one-stop delivery system, and on any newly printed, purchased, or created materials. The Joint WIOA Final Rule at 20 CFR 678.900(c), 34 CFR 361.900(c), and 34 CFR 463.900(c) further requires: "as of July 1, 2017, each one-stop delivery system must include the "American Job Center" identifier or "a proud partner of the American Job Center network" on all products, programs, activities, services, electronic resources, facilities, and related property and new materials used in the one-stop delivery system." Finally, as the Departments stated in the Preamble to the Joint WIOA Final Rule, "[T]he Departments will not object if the one-stop centers continue to use materials not using the 'American Job Center' branding which are created before November 17, 2016 until those supplies are exhausted."

11. **Action Requested.** State agencies, State WDBs, Local WDBs, and one-stop partner programs must follow the requirements described in this guidance, consistent with the specific requirements of the partner programs' statutory authority, as they develop their policies and procedures related to the operation of the one-stop service delivery system.
12. **Inquiries.** Please direct questions and comments regarding this guidance to the appropriate ETA regional or national office or through the ETA email address established for this purpose: DOL.WIOA@dol.gov. ETA monitors this account daily, and may respond to inquiries directly or through general communications such as official guidance, webinars, and public Q&A documents. Questions and comments from ED-funded grantees may be directed to the appropriate RSA State Liaison or OCTAE Area Coordinator.
13. **Attachments.**
Attachment I: References
Attachment II: Coordination with Partner Programs

APPENDIX C
TEGL 17-16

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| EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210 | CLASSIFICATION WIOA |
| | CORRESPONDENCE SYMBOL OWI and OGM |
| | DATE January 18, 2017 |

ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER WIOA NO. 17-16

TO: STATE WORKFORCE AGENCIES
NATIONAL FARMWORKER JOBS PROGRAM (NFJP) GRANTEES
WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA)
SECTION 166 INDIAN AND NATIVE AMERICAN PROGRAM
GRANTEES
SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM
GRANTEES
YOUTHBUILD GRANTEES
REINTEGRATION OF EX-OFFENDER GRANTEES
STATE AND LOCAL WORKFORCE DEVELOPMENT BOARDS
AMERICAN JOB CENTERS
TRADE ADJUSTMENT ASSISTANCE LEADS
APPRENTICESHIP GRANTEES

FROM: PORTIA WU /s/
Assistant Secretary

SUBJECT: Infrastructure Funding of the One-Stop Delivery System

- Purpose.** This Training and Employment Guidance Letter (TEGL) provides guidance on the operating costs of the one-stop delivery system, which are comprised of infrastructure costs and additional costs (i.e., career services, shared operating costs, and shared services) in accordance with the requirements set forth in the Workforce Innovation and Opportunity Act (WIOA) and its implementing regulations.

This guidance has been developed jointly by the U.S. Departments of Labor (DOL), Education (ED), and Health and Human Services (HHS) (collectively, Departments). The Joint WIOA Final Rule for Unified and Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions; Final Rule (Joint WIOA Final Rule) was published in the Federal Register on August 19, 2016, at 81 FR 55791, with an effective date of October 18, 2016. Therefore, this guidance is based on the statutory requirements of WIOA and its final implementing regulations.

The sharing and allocation of infrastructure costs among one-stop partners are governed by WIOA sec. 121(h), its implementing regulations, and the Federal Cost Principles contained in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for

| | |
|----------------------------|--------------------------------------|
| RESCISSIONS None | EXPIRATION DATE Continuing |
|----------------------------|--------------------------------------|

Federal Awards at 2 CFR part 200 (Uniform Guidance). All one-stop partner programs must contribute to the infrastructure costs and certain additional costs of the one-stop delivery system based on their proportionate use, as required by 20 CFR 678.700 and 678.760, 34 CFR 361.700 and 361.760, and 34 CFR 463.700 and 463.760. A partner's contribution must be an allowable, reasonable, necessary, and allocable cost to the program, consistent with the Federal Cost Principles set forth in the Uniform Guidance.

This joint policy guidance document focuses on how infrastructure and additional costs are determined and paid for by one-stop partners in a local one-stop delivery system. This guidance is applicable to required one-stop partners, as described in WIOA sec. 121(b)(1)(B) and 20 CFR 678.400, 34 CFR 361.400, and 34 CFR 463.400, as well as additional partners described in WIOA sec. 121(b)(2)(B) and 20 CFR 678.410, 34 CFR 361.410, and 34 CFR 463.410. It describes the roles of Governors, State and Local Workforce Development Boards (WDBs), Chief Elected Officials (CEOs), and local one-stop partner programs in determining infrastructure costs and navigating through the Local funding mechanism (LFM) and State funding mechanism (SFM) for those infrastructure costs.

2. **References.**

- Workforce Innovation and Opportunity Act (Pub. L. 113-128), July 22, 2014;
- WIOA Joint Rule for Unified and Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions; Final Rule, published at 81 FR 55791 (August 19, 2016);
- Resource Sharing for Workforce Investment Act One-Stop Centers: Methodologies for Paying or Funding Each Partner Program's Fair Share of Allocable One-Stop Costs; Notice. Published at 66 FR 29638 (May 31, 2001);
- Office of Management and Budget (OMB) CFR Chapter II, Part 200, et al. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Guidance and Final Rule. Final Guidance published at 78 FR 78589 (December 26, 2013) and Final Rule published at 79 FR 75867 (December 19, 2014); and
- Department of Labor (DOL) CFR Chapter II, Part 2900 et al. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, December 19, 2014.

3. **Background.** Under the Workforce Investment Act of 1998 (WIA), costs that were shared among partners, including infrastructure costs, were outlined and funded through Resource Sharing Agreements between local boards and one-stop partners. The funding arrangements were incorporated into the Memorandum of Understanding (MOU). As a result of WIA, OMB directed DOL to develop a uniform policy on acceptable methodologies for cost allocation and resource sharing with respect to funding the one-stop delivery system. This uniform policy was contained in the Resource Sharing for Workforce Investment Act One-Stop Centers: Methodologies for Paying or Funding Each Partner Program's Fair Share of

Allocable One-Stop Costs; Notice, published in the Federal Register on May 31, 2001 (66 FR 29638). These same concepts also were outlined in Part I of the One-Stop Financial Management Technical Assistance Guide (TAG), which can be found at <https://www.doleta.gov/grants/resources.cfm>. It is DOL's expectation to update the Technical Assistance Guide to reflect the requirements of WIOA, the Uniform Guidance, and guidance set forth in this TEGL in the near future.

DOL, in coordination with ED, has established the one-stop centers, with American Job Centers (AJCs) as a unifying name and brand that identifies the online and in-person workforce development services as part of a single network (20 CFR 678.900, 34 CFR 361.900, and 34 CFR 463.900).

Under WIOA and its implementing regulations, consistent with the Uniform Guidance, funding provided by the one-stop partners to cover the operating costs, including infrastructure costs, of the one-stop delivery system must be based on the partner program's proportionate use of the system and relative benefit received (WIOA sec. 121(h)(1)(B)(i) and 121(h)(2)(C)(i), 20 CFR 678.700 through 678.760, 34 CFR 361.700 through 361.760, and 34 CFR 463.700 through 463.760).

4. **One-Stop Operating Budgets and Costs.** The operating budget of one-stop centers, or AJCs, is the financial plan to which the one-stop partners, CEO(s), and Local WDB in each local area have agreed in the MOU that will be used to achieve their goals of delivering services in a local area. The MOU must contain, among other things, provisions describing how the costs of services provided by the one-stop system and how the operating costs of such system will be funded, including the infrastructure costs for the one-stop system (WIOA sec. 121(c)(2)(A) and 20 CFR 678.500(b), 34 CFR 361.500(b), and 34 CFR 463.500(b)).

The one-stop operating budget may be considered the master budget that contains a set of individual budgets or components that consist of costs that are specifically identified in the statute: infrastructure costs, defined in WIOA sec. 121(h)(4); and additional costs, which must include applicable career services and may include shared operating costs and shared services that are related to the operation of the one-stop delivery system but do not constitute infrastructure costs. These additional costs are described in WIOA sec. 121(i).

The one-stop operating budget must be periodically reconciled against actual costs incurred and adjusted accordingly. This reconciliation ensures that the budget reflects a cost allocation methodology that demonstrates how infrastructure costs are charged to each partner in proportion to the partner's use of the one-stop center and relative benefit received. The one-stop operating budget may be further refined by the one-stop partners, as needed, to assist in tracking their contributions. It may be necessary at times to separate the budget of a comprehensive one-stop center from a specialized one-stop center or an affiliate one-stop center.

Attachment IV: One-Stop Operating Costs provides a diagram illustrating the organization of one-stop operating costs. One-stop operating costs include infrastructure costs and additional costs, which are made up of applicable career services, and may include shared operating costs, and shared services, as described below.

Infrastructure Costs. Infrastructure costs of AJCs are defined as non-personnel costs that are necessary for the general operation of the one-stop center, including: rental of the facilities; utilities and maintenance; equipment (including assessment-related and assistive technology for individuals with disabilities); and technology to facilitate access to the one-stop center, including technology used for the center's planning and outreach activities (WIOA sec. 121(h)(4), 20 CFR 678.700(a), 34 CFR 361.700(a), and 34 CFR 463.700(a)). This list is not exhaustive. For example, the costs associated with the development and use of the common identifier (i.e., AJC signage) and supplies, as defined in the Uniform Guidance at 2 CFR 200.94, used to support the general operation of the one-stop center, may be considered allowable infrastructure costs.

Non-personnel costs. Non-personnel costs are all costs that are not compensation for personal services. For example, technology-related services performed by vendors or contractors are non-personnel costs and may be identified as infrastructure costs if they are necessary for the general operation of the one-stop center. Such costs may include service contracts with vendors or contractors, equipment, and supplies.

Personnel costs. In contrast to non-personnel costs for the one-stop system, personnel costs include salaries, wages, and fringe benefits of the employees of partner programs or their subrecipients, as described in 2 CFR 200.430 (Compensation – personal services) and 2 CFR 200.431 (Compensation – fringe benefits) of the Uniform Guidance. For example, allocable salary and fringe benefit costs of partner program staff who work on information technology systems (i.e., common performance and reporting outcomes) for use by the one-stop center as a whole would be personnel costs and would be identified as additional costs – not infrastructure costs. The cost of a shared welcome desk or greeter directing employers and customers to the services or staff that are available in that one-stop center is a personnel expense. These costs, therefore, could not be included in infrastructure costs, but are included as “additional costs” in the one-stop operating budget.

Additional Costs. One-stop partners must share in additional costs, which must include applicable career services, and may include shared operating costs and shared services that are necessary for the general operation of the one-stop center.

Career Services. One-stop partners must ensure that at least some career services, described in WIOA sec. 134(c)(2), are provided at the one-stop center. Additional requirements regarding career services may be found at WIOA sec. 121(b)(1)(A)(i), (c)(2)(A)(ii), (e)(1)(A), and (i)(1), 20 CFR 678.760, 34 CFR 361.760, and 34 CFR 463.760. Please also see a detailed discussion about the provision of career services at the one-stop centers in the *General Guidance for the American Job Center Network in the Operation of One-Stop Centers*, issued jointly by DOL and ED, via DOL's TEGE, ED's Office of Career, Technical, and Adult Education's Program Memorandum, and ED's Rehabilitation Services Administration's Technical Assistance Circular.

Shared Operating Costs and Shared Services. One-stop partners also may share other costs that support the operations of the one-stop centers, as well as the costs of shared services. The costs of shared services may include initial intake, assessment of needs, appraisal of

basic skills, identification of appropriate services to meet such needs, referrals to other one-stop partners, and business services (WIOA sec. 121(i)(2), 20 CFR 678.760, 34 CFR 361.760, and 34 CFR 463.760). As discussed in more detail in the section pertaining to personnel costs above, such costs also may include personnel expenses associated with a shared welcome desk or greeter directing employers and customers to the services or staff that are available in that one-stop center.

A portion of the costs of Local WDB staff who perform functions that are not otherwise paid with WIOA title I funds and support the general operations of the one-stop centers may also be included as additional costs. An example of such shared operating costs would be a Local WDB staff person acting as the office manager in a one-stop center. As with any additional costs paid by partner programs for the operations of the one-stop delivery system, these shared operating costs must be proportionate to the use of the partner program and consistent with the Federal Cost Principles of the Uniform Guidance set forth in 2 CFR part 200.

5. **One-Stop Partners**¹. One-stop partners are the entities that carry out the program in a local area. The one-stop delivery system, as identified in 20 CFR 678.300, 34 CFR 361.300, and 34 CFR 463.300, must include comprehensive one-stop centers, and also may include affiliate one-stop centers or specialized one-stop centers. Required partner programs and additional partners that carry out their program in the local area are required to share infrastructure costs and certain additional costs (20 CFR 678.700(c), 678.415, and

¹ 20 CFR 678.415 *What entity serves as the one-stop partner for a particular program in the local area?*

(a) *The entity that carries out the program and activities listed in 678.400 or 678.410, and therefore serves as the one-stop partner, is the grant recipient, administrative entity, or organization responsible for administering the funds of the specified program in the local area. The term "entity" does not include the service providers that contract with, or are subrecipients of, the local administrative entity. For programs that do not include local administrative entities, the responsible State agency must be the partner. Specific entities for particular programs are identified in paragraphs (b) through (e) of this section. If a program or activity listed in 678.400 is not carried out in a local area, the requirements relating to a required one-stop partner are not applicable to such program or activity in that local one-stop delivery system.*

(b) *For title II of WIOA, the entity or agency that carries out the program for the purposes of paragraph (a) of this section is the sole entity or agency in the State or outlying area responsible for administering or supervising policy for adult education and literacy activities in the State or outlying area. The State eligible entity or agency may delegate its responsibilities under paragraph (a) of this section to one or more eligible providers or consortium of eligible providers.*

(c) *For the VR program, authorized under title I of the Rehabilitation Act of 1973, as amended by WIOA title IV, the entity that carries out the program for the purposes of paragraph (a) of this section is the designated State agencies or designated State units specified under sec. 101(a)(2) of the Rehabilitation Act that is primarily concerned with vocational rehabilitation, or vocational and other rehabilitation, of individuals with disabilities.*

(d) *Under WIOA title I, the national programs, including Job Corps, the Native American program, YouthBuild, and Migrant and Seasonal Farmworker programs are required one-stop partners. The entity for the Native American program, YouthBuild, and Migrant and Seasonal Farmworker programs is the grantee of those respective programs. The entity for Job Corps is the Job Corps center.*

(e) *For the Carl D. Perkins Career and Technical Education Act of 2006, the entity that carries out the program for the purposes of paragraph (a) of this section is the eligible recipient or recipients at the postsecondary level, or a consortium of eligible recipients at the postsecondary level in the local area. The eligible recipient at the postsecondary level may also request assistance from the State eligible agency in completing its responsibilities under paragraph (a) of this section. (See also 34 CFR 361.415 and 34 CFR 463.415.)*

678.420(b), 34 CFR 361.700(c), 361.415, and 361.420(b), and 34 CFR 463.700(c), 463.415, and 463.420(b)). All one-stop partners, whether they are required partners or additional partners, must contribute to infrastructure costs of the one-stop centers based on proportionate use and relative benefits received. The required one-stop partners must provide access to their programs in the comprehensive centers and contribute to the infrastructure costs of those centers. These partners also make available each partner program's applicable career services at the comprehensive one-stop centers and may contribute to shared services and shared operating costs.

Only those one-stop partners that participate in the affiliate one-stop centers would be required to contribute to the infrastructure costs for those centers, including in one-stop affiliate centers where "access" to programs, services, and activities are made available through a direct linkage or physical presence. When two or more grant recipients or contractors of a required partner program are carrying out the program in a local area, both of these entities must contribute to infrastructure costs, including at an affiliate center, if those partners are participating in that affiliate center. The financial contributions of one-stop partners through a direct linkage will be different than those one-stop partners with a physical presence, regardless of the type of center. A list of the partner programs may be found in Attachment III: Infrastructure Costs: Funding Sources.

Required Partners. WIOA sec. 121(b)(1)(B), 20 CFR 678.400, 34 CFR 361.400, and 34 CFR 463.400 require the following programs to be one-stop partners:

Department of Labor (DOL)

A. WIOA title I programs:

Adult, Dislocated Worker, and Youth formula programs;
Job Corps;
YouthBuild;
Native American programs;
National Farmworker Jobs Program (NFJP);

- B. Wagner-Peyser Act Employment Service (ES) program, authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), as amended by WIOA title III;
- C. Senior Community Service Employment Program (SCSEP), authorized under title V of the Older Americans Act of 1965;
- D. Trade Adjustment Assistance (TAA) activities, authorized under chapter 2 of title II of the Trade Act of 1974;
- E. Unemployment Compensation (UC) programs;
- F. Jobs for Veterans State Grants (JVSG) programs, authorized under chapter 41 of title 38, U.S.C.; and
- G. Reentry Employment Opportunities (REO) programs (formerly known as Reintegration of Ex-Offenders Program (RExO)), authorized under sec. 212 of the Second Chance Act of 2007 (42 U.S.C. 17532) and WIOA sec. 169;

Department of Education (ED)

- H. Adult Education and Family Literacy Act (AEFLA) program, authorized under WIOA title II;

- I. Career and technical education programs at the postsecondary level, authorized under the Carl D. Perkins Career and Technical Education Act of 2006 (Perkins IV); and
- J. The State Vocational Rehabilitation (VR) Services program, authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.), as amended by WIOA title IV;

Department of Housing and Urban Development (HUD)

- K. Employment and training programs;

Department of Health and Human Services (HHS)

- L. Employment and training activities carried out under the Community Services Block Grant (CSBG) programs (42 U.S.C. 9901 et seq.); and
- M. Temporary Assistance for Needy Families (TANF) program, authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), unless exempted by the Governor under 20 CFR 678.405(b), 34 CFR 361.405(b), and 34 CFR 463.405(b).

Additional Partners. Pursuant to WIOA sec. 121(b)(2)(B) and 20 CFR 678.410, 34 CFR 361.410, and 34 CFR 463.410, additional one-stop partners may include, with the approval of the Local WDB and CEO(s), the following:

- Social Security Administration (SSA) employment and training program established under sec. 1148 of the Social Security Act (i.e. Ticket to Work and Self Sufficiency programs);
- Small Business Administration employment and training programs;
- Supplemental Nutrition and Assistance Program (SNAP) employment and training programs, authorized under secs. 6(d)(4) and 6(o) of the Food and Nutrition Act of 2008;
- Client Assistance Program (CAP), authorized under sec. 112 of the Rehabilitation Act of 1973, as amended by title IV of WIOA;
- National and Community Service Act programs; and
- Other appropriate Federal, State, or local programs, including, but not limited to, employment, education, or training programs such as those operated by libraries or in the private sector (WIOA sec. 121(b)(2)). Such programs may also include programs providing transportation assistance and services for those with substance abuse or mental health issues.

The Local WDBs and CEOs have discretion to take the actions necessary to encourage the additional partners to contribute their proportionate share of infrastructure costs. This discretion does not include the ability to subject the additional partners to the SFM, nor can additional partners trigger the SFM, as described later in this guidance.

The Departments strongly encourage Registered Apprenticeship programs to participate as additional one-stop partners. The mutual benefits include coordination in the provision of comprehensive services to participants and the potential enhancement of outreach and follow-up activities. WIOA requires that Registered Apprenticeship programs are to have a representative on the Local WDB, and also states that Registered Apprenticeship programs are automatically eligible to provide

training services. These connections would be significantly strengthened through such programs serving as one-stop partners and otherwise working with the one-stop delivery system.

Special Rules. As required one-stop partners, Native American programs (described in WIOA sec. 166) are strongly encouraged to contribute to infrastructure costs, but they are not required to make such contributions under WIOA. Any agreement regarding the contribution or non-contribution to infrastructure costs by Native American programs must be documented in the MOU (WIOA sec. 121(h)(2)(D)(iv); see also 81 FR 55911-55912 of the preamble to the Joint WIOA Final Rule). Further, these contributions must be based on the programs' proportionate use and relative benefits received, consistent with the Uniform Guidance. The lack of agreement on infrastructure costs with Native American programs does not trigger the SFM for the local area, and the Native American programs are not subject to the SFM in the event it is triggered.

The Governor may determine that TANF will not be a required partner in the State, or within some specific local areas in the State. In this instance, the Governor must notify the Secretary of Labor and Secretary of Health and Human Services in writing of this determination (WIOA sec. 121(b)(1)(C) and 20 CFR 678.405, 34 CFR 361.405, and 34 CFR 463.405). In States, or local areas within a State, where the Governor has determined that TANF is not required to be a partner, local TANF programs may still work in collaboration or partnership with the local one-stop centers to deliver employment and training services to the TANF population, unless inconsistent with the Governor's direction. In these situations, TANF may be considered an additional partner for purposes of contributing to the costs of operating the one-stop system.

Partner Programs with Multiple Grant Recipients. Partner programs and additional partners that carry out a program in the local area are required to share infrastructure costs and certain additional costs (20 CFR 678.700(c), 34 CFR 361.700(c), and 34 CFR 463.700(c)). When two or more grant recipients or contractors of a required partner program carry out a program in a local area, these entities are considered one-stop partners and must reach out to the Local WDB and carry out the roles and responsibilities of one-stop partners, including negotiating their share of infrastructure costs. For instance, there may be multiple YouthBuild and SCSEP grant recipients along with a few Job Corps contractors in a local area. In this situation, each grant or contract recipient carrying out the program in that local area must contribute towards infrastructure costs, and those contributions must be based on the proportionate use and relative benefits received by those partners from the one-stop centers.

- 6. Funding Types and Sources.** The permissible types of funds used for infrastructure costs and the additional costs of operating a local one-stop delivery system (i.e., a partner's program or administrative funds) may differ depending upon the partner program's authorizing law and implementing regulations. The funds that may be used also differ based on whether the amount that must be contributed by a partner for infrastructure costs is determined under the LFM or the SFM. The funding types and sources permissible for the one-stop partners are outlined in Attachment II: Paying for the One-Stop Delivery System.

Types. Funding for infrastructure costs and additional costs, such as shared costs and shared services, may be in the form of: (1) cash, non-cash, and third-party in-kind contributions; (2) funding from philanthropic organizations or other private entities; or (3) other alternative financing options, as described in WIOA sec. 121(c)(2)(A)(ii) and 20 CFR 678.715, 34 CFR 361.715, and 34 CFR 463.715. Some partner programs may have statutory or regulatory prohibitions against using certain types of these contributions or on how the program may treat these contributions for fiscal accountability purposes under the respective program's requirements. For example, pursuant to 34 CFR 361.60(b)(2), a VR agency may not use third-party in-kind contributions for match purposes under the VR program. However, there is nothing in 34 CFR 361.60 that prohibits a VR agency from using third-party in-kind contributions to pay for its share of the one-stop operating costs, including infrastructure costs.

Sources. The source of funds that may be used to pay for infrastructure costs depends on the requirements regarding the use of funds under the law authorizing the partner program that is contributing the funding. The infrastructure funding may be from funds classified as administrative, program, or both, depending on the partner program's requirements. Below are the one-stop partners and the source of funds expected to be used. The partner programs required to make a contribution towards infrastructure costs and the applicable funding sources are illustrated in Attachment III: Infrastructure Costs: Funding Sources.

Local and State Funding Mechanisms – Types and Sources

(20 CFR 678.720 and 678.740; 34 CFR 361.720 and 361.740; and 34 CFR 463.720 and 463.740)

- WIOA title I programs, including the Adult, Dislocated Worker, and Youth programs; Native American programs, YouthBuild, Job Corps programs, and MSFW programs – Program funds, administrative funds, or both may be used for LFM and SFM.
- SCSEP, TAA programs, REO programs – Program funds, administrative funds, or both may be used to pay for infrastructure costs under the LFM and SFM.
- Wagner-Peyser Act ES, JVSG, and Unemployment Compensation programs – These programs do not distinguish between program and administrative funds. Therefore, any of the funds allotted for these programs may be used to pay for infrastructure costs under the LFM and SFM.
- AEFLA – Infrastructure costs under the LFM and SFM are to be paid from Federal funds made available for local administration (WIOA sec. 233(a)(2) and 34 CFR 463.25 and 463.26(e)). Non-Federal resources that are cash, non-cash, or third-party in-kind contributions may also be used. The Federal funds available for activities other than local administration may not be used for such costs. For the SFM, other funds made available by the State may be used.
- VR program – This program does not distinguish between program and administrative funds. Non-Federal resources that are cash, non-cash, or third-party in-kind contributions may also be used under the LFM and SFM. The VR

regulations at 34 CFR 361.5(c)(2)(viii) clarify that one-stop system infrastructure costs are allowable administrative costs under the VR program. Therefore, although the VR program imposes no limits on the amount of funds that may be spent on administrative costs, VR agencies must report funds spent for infrastructure costs as administrative costs. Furthermore, as stated above, VR agencies may not count third-party in-kind contributions toward meeting their match requirement under the VR program when such contributions are used for one-stop operating costs.

- Perkins IV – For the LFM, Federal funds made available for local administration may be used to pay infrastructure costs. Non-Federal resources that are cash, non-cash, or third-party in-kind contributions, and other funds made available by the State may also be used to pay infrastructure costs. Under the SFM, Federal funds made available for local administration of postsecondary level programs and activities to eligible recipients or consortia of eligible recipients may be used to pay infrastructure costs. Additionally, funds made available by the State or non-Federal resources that are cash, non-cash, or third-party in-kind contributions, and other funds made available by the State may be used to contribute to infrastructure costs.
- Other required partners including HUD employment and training programs, CSBG programs, and TANF – These partner programs may determine what funds they will use to pay for infrastructure costs under the LFM. The use of these funds must be in accordance with the requirements of WIOA and with the relevant partner's authorizing statutes and regulations, including, for example, prohibitions against supplanting non-Federal resources, statutory limitations on administrative costs, and all other applicable legal requirements. For the SFM, only administrative funds for these other required partner programs may be used to pay infrastructure costs.
- Additional Partners – For the LFM, these partners must consult their program's requirements and/or statute or authorizing documents/regulations to determine the type and source of funds that may be used. The SFM does not apply to the additional partners.

The funds one-stop partners use to pay the additional costs of a one-stop delivery system must be consistent with WIOA and its implementing regulations governing that particular program (20 CFR 678.760, 34 CFR 361.760, and 34 CFR 463.760). The determination of contributions for additional costs is not subject to the SFM.

7. **Uniform Guidance – Federal Cost Principles**. Any cost paid for with Federal grant funds must comply with Subpart E, Federal Cost Principles of the Uniform Guidance at 2 CFR part 200. The Federal Cost Principles, applicable to one-stop partners that are Federally-funded, provide general guidance to be used in developing cost allocation methodologies and in determining if contributions towards infrastructure costs and additional costs are necessary, reasonable, and allocable to their program based upon relative benefits received. Additionally, all costs must be allowable under, and allocable to, that partner program in accordance with the program's authorizing statute and implementing regulations.

In addition, WIOA requires one-stop partners to contribute funding to establish and maintain the one-stop delivery system based on each partner's proportionate use of the system and the relative benefits received (WIOA sec. 121(h)(1)(B)(i) and 121(h)(2)(C); 20 CFR 678.420(b), 34 CFR 361.420(b), and 34 CFR 463.420(b)). One-stop partners must use a reasonable cost allocation methodology in determining appropriate partner contributions based on proportionate use and relative benefits received (20 CFR 678.420(b)(2)(i), 34 CFR 361.420(b)(2)(i), and 34 CFR 463.420(b)(2)(i)).

Proportionate Use. For the purpose of this joint policy guidance, "proportionate use" refers to a partner program contributing its fair share of the costs proportionate to: (1) the use of the one-stop center by customers that may include reportable individuals and participants in its program at that one-stop center; (2) the amount of square footage occupied by the partner program in the one-stop center; or (3) another allocation base consistent with the Uniform Guidance.

Relative Benefit. In determining the proportionate share, the "relative benefit" received from participating in the one-stop delivery system is another step in the cost allocation process. Determining relative benefit does not require partners to conduct an exact or absolute measurement of benefit, but instead to measure a partner's benefit using reasonable methods. The Uniform Guidance, at 2 CFR 200.4, requires that the process of assigning a cost or group of costs to one or more cost objectives must be in reasonable proportion to the benefit provided. The measurement of a one-stop partner's share of infrastructure costs must be based on reasonable methods that are agreed to by all partners or determined in accordance with the SFM. However, as discussed later in this guidance, partner contributions that are initially based on budgeted amounts must be reviewed and reconciled periodically during the program year against actual costs incurred. Additionally, adjustments must be made to ensure that partner contributions are proportionate to their use of the one-stop center and relative benefits received as required by 20 CFR 678.715(a)(4), 34 CFR 361.715(a)(4), and 34 CFR 463.715(a)(4).

Allocation of Costs. Cost allocation is based upon the premise that Federal programs are to bear an equitable proportion of shared costs based on the benefit received by each program. The allocation of costs must be consistent with the Uniform Guidance. The Uniform Guidance defines "allocation" at 2 CFR 200.4² and "allocable costs" at 2 CFR 200.405³.

² 2 CFR 200.4 Allocation.

Allocation means the process of assigning a cost, or a group of costs, to one or more cost objective(s), in reasonable proportion to the benefit provided or other equitable relationship. The process may entail assigning a cost(s) directly to a final cost objective or through one or more intermediate cost objectives.

³ 2 CFR 200.405 Allocable costs.

(a) A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received. This standard is met if the cost:

- (1) Is incurred specifically for the Federal award;*
- (2) Benefits both the Federal award and other work of the non-Federal entity and can be distributed in proportions that may be approximated using reasonable methods; and*

8. **Allocation Methodologies.** The specific methodologies used to allocate costs among the one-stop partners are not prescribed in WIOA, its implementing regulations, the Uniform Guidance, or in this joint policy guidance. Each local one-stop delivery system is unique and presents a different set of circumstances within which costs are allocated. Rather, when developing the local MOU, Local WDBs and partner agencies may choose from any number of methods, provided they are consistent with WIOA, its implementing regulations, and the Uniform Guidance, including the Federal Cost Principles. In selecting methodologies used to allocate costs, Local WDBs and one-stop partners may also consider whether it is necessary to allocate costs by each one-stop center separately. For instance, the budget for operating an affiliate one-stop center may be less than the operating budget for a comprehensive one-stop center because the affiliate one-stop center includes one or more, but not all, one-stop partner programs.

In this preliminary stage, the partners: (1) determine the infrastructure costs budget and the budget(s) for additional costs, which must include career services and may include shared services and shared operating costs for a particular comprehensive one-stop center; (2) determine which methodologies are reasonable and acceptable; and (3) from the acceptable methodologies, select the methodology (or methodologies) that will be applied to the different cost categories. In other words, the partners are selecting the appropriate distribution base(s) under which they allocate infrastructure and additional costs. Partner programs may agree to select different cost allocation methodologies and allocation or distribution bases for cost objectives within infrastructure costs and additional costs, such as applicable career services, shared operating costs, and shared services categories. Partners should focus on identifying methodologies that most effectively allocate costs based upon proportionate use and relative benefits received by the partners.

The negotiations of cost sharing and allocation among partners must be conducted in good faith and in an open and transparent environment, where full disclosure of costs and funding

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- (3) *Is necessary to the overall operation of the non-Federal entity and is assignable in part to the Federal award in accordance with the principles in this subpart.*
- (b) *All activities which benefit from the non-Federal entity's indirect (F&A) cost, including unallowable activities and donated services by the non-Federal entity or third parties, will receive an appropriate allocation of indirect costs.*
- (c) *Any cost allocable to a particular Federal award under the principles provided for in this part may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or*
- (d) *Direct cost allocation principles. If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then, notwithstanding paragraph (c) of this section, the costs may be allocated or transferred to benefitted projects on any reasonable documented basis. Where the purchase of equipment or other capital asset is specifically authorized under a Federal award, the costs are assignable to the Federal award regardless of the use that may be made of the equipment or other capital asset involved when no longer needed for the purpose for which it was originally required. See also 2 CFR §200.310 Insurance coverage through 200.316 Property trust relationship and 200.439 Equipment and other capital expenditures.*

is essential to this process. Because of the need to provide maximum flexibility to accommodate various organization structures, costs, and budgets in local areas, there is no single method prescribed for allocating costs.

In selecting a method to allocate infrastructure and additional costs, consider the additional effort and expense required to achieve a greater degree of accuracy. General criteria that should be used in selecting an allocation base include the following:

- **Allocation Bases.** When costs cannot be directly assigned to a final cost objective, the costs are placed in a pool that will be allocated at a later time to the benefiting partner programs. A cost pool contains a group of common costs to be allocated by using an indirect or approximate measure of benefit. The approximate measure of benefit is the allocation base. An allocation base is the method of documentation used to measure the extent of benefits received when allocating joint costs among multiple cost objectives. Many different types of bases can be used in allocating costs. The most appropriate base will vary depending on the circumstances. One-stop partner programs may agree to use several different bases for allocating different types of costs in the one-stop center. A local area may allocate costs differently among one-stop centers in that local area. Acceptable methods for distributing pooled costs may vary by type of organization, functional units, or levels within an organization, types of cost to be allocated, and cost category. The basis used to allocate a particular type of cost must be used consistently over time (2 CFR 200.403(d)).
- **Inputs.** The Departments consider inputs – the most commonly used allocation bases – to be the resources used in a process, activity, or service. Using inputs, the cost is allocated at the same time it is incurred and the usage must be documented. Examples of input bases include: (1) staff time allocated on the basis of time sheets and time distribution records; (2) facilities allocated on the basis of square footage; (3) accounting services allocated on the basis of transactions; and (4) equipment or supplies allocated based on usage.
- **Outputs.** The Departments consider outputs to be the results of an activity or service. Examples of output allocation bases include: (1) participants and reportable individuals under a specific program; (2) number of customers who are obtaining employment after self-directed job search; and (3) number of customers receiving a specific career service. One of the issues associated with output-based allocations is that they will vary over time, usually based on client flow. For this reason, output-based allocations may result in large changes in the resources needed to fund the pooled costs when the budgets are adjusted to actual costs and, therefore, should be used with caution.

An allocation base is acceptable if it represents a fair measure of cost benefit and if it results in an equitable and reasonable distribution of the costs of services rendered or goods provided. Each base should be considered on its own merits as to the purpose for using it

and the degree of equity and reasonableness it will achieve in allocating infrastructure or additional costs. The Departments consider the following to be standards for acceptable bases:

Minimal Distortion. The base should allocate costs in a fair and equitable manner without distorting the results. This requires that the base be as causally related as possible to the types of costs being allocated, so that benefit can be measured as accurately as possible. For example, building costs may be allocated based on square footage used by a partner program.

- **General Acceptability.** Consistent with 2 CFR 200.403(e), the base should be generally accepted and in conformance with Generally Accepted Accounting Principles (GAAP). For example, the base should be consistently applied over time. The base should also be drawn from the same period during which the costs have been incurred and allocated.
- **Represents Actual Cost or Effort Expended.** The base should be a measure of actual cost or actual effort expended. It should be based on historical data and not solely on a plan, projection, budget, job description, or other estimates of planned activity. This means that partner contributions determined from allocation methodologies based originally on a budget must be reconciled periodically to actual costs to ensure the contribution is reflective of relative benefits received by the partner over time.
- **Timely Management Control.** The base should be within management's ability to control on a timely basis. The base should produce reliable and fairly predictable results. If the base is erratic and unpredictable, beyond management's ability to control, or not timely, it is likely to produce unacceptable results. For example, if time studies are used, but do not accurately reflect seasonal or workload fluctuations, such a base may not be suitable in allocating costs.
- **Consistency with Variations in Funding.** The base must be able to accommodate and withstand changes in funding during the year and from year to year. If the base includes factors that are affected by variations in funding, it could produce distorted results.
- **Materiality of Costs Involved.** The time and expense spent in developing and implementing the base should not be greater than justified by the materiality of the costs to be allocated. In other words, the grantee should not spend more on obtaining the information needed to allocate pooled costs than the dollars in the pool warrant. The base should be sufficiently detailed to provide the most equitable and accurate allocation possible. At the same time, the base should be simple enough to be efficient while still attaining a fair distribution of costs.
- **Practicality and Cost of Using the Base.** The base should be as efficient as possible in terms of the cost or effort in developing it. Thus, wherever possible, a database

that already exists in the financial or participant record keeping and reporting systems should be used rather than creating a separate database to be used only for allocating costs.

Additional examples of common cost pools and allocation bases are described in Attachment I: Examples of Cost Pools and Possible Allocation Bases.

9. **Valuation.** Contributions for infrastructure and additional costs may be made from cash, non-cash, or third-party in-kind contributions. Non-cash and third-party in-kind contributions must be fairly evaluated in accordance with the Uniform Guidance at 2 CFR 200.306, and must be in the agreed upon one-stop operating budget that must contain an infrastructure cost budget and an additional costs budget. All partner contributions, regardless of the source, must be reconciled and adjusted accordingly on a regular basis (i.e., monthly or quarterly) to ensure each partner program is contributing no more than its proportionate share based upon relative benefits received in accordance with the Uniform Guidance at 2 CFR part 200. To ensure that non-cash and third-party in-kind contributions are fairly evaluated, one-stop partners should agree on which sources or companies they use to assess or appraise the fair market value or fair rental value of non-cash and third-party in-kind contributions.

Cash contributions. Cash contributions are cash funds provided to the Local WDB or its designee by one-stop partners, either directly or by an interagency transfer, or by a third party.

Non-cash contributions. Non-cash contributions are expenditures incurred by one-stop partners on behalf of the one-stop center and goods or services contributed by a partner program and used by the one-stop center. The value of non-cash contributions must be consistent with 2 CFR 200.306 and reconciled on a regular basis (i.e., monthly or quarterly) to ensure they are fairly evaluated and meet the partners' proportionate share.

Example 1: For Program Year (PY) 2017, a partner's proportionate use of the one-stop center results in a contribution of \$15,000. The partner does not have sufficient cash resources to fully fund its share and wishes to donate to the one-stop center (not for its own individual use) gently used surplus office furniture. The furniture is needed in the one-stop center. The office furniture was purchased in 2015 for \$18,500 using unrestricted or non-Federal funds. The office furniture has a current fair market value of \$10,000 and a depreciated value of \$11,100. In accordance with the requirements specified in the Uniform Guidance at 2 CFR 200.306(d), the value of the contribution must be the lesser of the current fair market value or the value of the remaining life of the property as recorded in the partner's accounting records at the time of donation, unless approval has been granted in accordance with 2 CFR 200.306(d)(2). The partner would be able to count the \$10,000 value as part of its \$15,000 contribution and would be required to use additional resources for the remaining \$5,000 balance of its share. This one-time contribution is recognized by the partner during the year in which the contribution is made.

Example 2: In the same example as above, the partner does not donate the gently used office furniture, but loans it for general use by partners at the one-stop center. The office furniture is on a 5-year depreciation schedule. The annual depreciation is \$3,700 and the annual fair rental value is \$3,500. In accordance with 2 CFR 200.306(i)(4), the partner may count \$3,500 as part of its contribution for that year. As with any depreciable asset, an assessment of its fair rental value must be done each year in which the equipment is loaned to the one-stop center. The one-stop partners must determine annually whether the one-stop center still requires the use of the office furniture and that this cost is built into the infrastructure funding agreement (IFA).

Third-party in-kind contributions. Third-party in-kind contributions are contributions of space, equipment, technology, non-personnel services, or other like items by a non-partner (i.e., a third-party) to support the infrastructure costs associated with one-stop operations. The value of third-party in-kind contributions must also be consistent with the Uniform Guidance at 2 CFR 200.306 and reconciled on a regular basis (i.e., monthly or quarterly) to ensure they are fairly evaluated and, if contributed on behalf of a particular program partner, meet the partner's proportionate share.

There are two types of third-party in-kind contributions: (a) general contributions to one-stop operations (i.e., those not connected to any individual one-stop partner); and (b) those made specifically to a one-stop partner program (20 CFR 678.715, 34 CFR 361.715, 34 CFR 463.715, and 2 CFR 200.306).

Example 1: For PY 2017, a local county government that is not a one-stop partner has a vacant building and would like to donate the space for use as a one-stop center. This in-kind contribution would not be associated with one specific partner, but rather would go to support the one-stop center generally and would be factored into the underlying budget and cost pools used to determine proportionate share of the partners, meaning that each partner's proportionate share may be lower. The valuation of donated space by a third party must adhere to the Uniform Guidance at 2 CFR 200.306(i)(3). The annual fair rental value of comparable space in the same locality, as established by an independent appraisal is \$77,000. As with all non-cash and third-party in-kind contributions, the value at which the space has been appraised is the amount accounted for in the infrastructure budget. The partners may use this donation of space as an offset towards the entire budget for infrastructure, thus reducing the partners' individual contributions. The valuation of the donated space must be assessed again each subsequent year.

The second type of in-kind contribution is a third-party contribution to a specific partner to support that partner's proportionate share of one-stop infrastructure costs. If the contribution was in the one-stop center's budget for infrastructure costs, the partner could then use the value of the third-party in-kind contribution to count towards its proportionate share.

Example 2: An employer provides assistive technology equipment to a VR program located in a one-stop center. The acquisition cost at the time of purchase by the employer was \$6,800, and at the time of the donation, the fair market value was assessed as \$4,500. If the assistive technology equipment was in the one-stop center's budget for infrastructure costs, the partner could use the fair market value of the donation towards its

contribution. The Uniform Guidance at 2 CFR 200.306(g) requires that the equipment be valued at no more than the fair market value (\$4,500) at the time of donation.

Example 3: A local literacy foundation wants to donate gently used computer equipment to the local one-stop center to support the infrastructure cost contribution of the designated AEFLA partner program in the local community. Computer equipment is part of the one-stop operating budget. The fair market value of the computer equipment is valued at \$9,200 at the time of donation. The AEFLA partner program's proportionate use of the one-stop center is determined to be \$12,500. The AEFLA partner program may use the fair market value of this equipment towards its infrastructure cost contribution for that program year. Furthermore, the AEFLA partner program is required to contribute an additional \$3,300 in resources to pay its remaining share.

Infrastructure Funding Agreements (IFA). The IFA contains the infrastructure costs budget, which is an integral component of the overall one-stop operating budget. The other component of the one-stop operating budget consists of additional costs, which include applicable career services, and may include shared operating costs and shared services. While each of these components covers different cost categories, an operating budget would be incomplete if any of these cost categories were omitted, as all components are necessary to maintain a fully functioning and successful local one-stop delivery system. Therefore, the Departments strongly recommend that the Local WDBs, one-stop partners, and CEOs negotiate the IFA, along with additional costs, when developing the operating budget for the local one-stop delivery system. The overall one-stop operating budget must be included in the MOU. IFAs are a mandatory component of the local MOU, described in WIOA sec. 121(c) and 20 CFR 678.500 and 678.755, 34 CFR 361.500 and 361.755, and 34 CFR 463.500 and 463.755. Similar to MOUs, the Local WDB may negotiate an umbrella IFA or individual IFAs for one or more of its one-stop centers.

As provided in section 14 of this guidance document, through DOL's use of the transition authority in section 503(b) of WIOA, a local area's PY 2017 final IFA must be in place no later than January 1, 2018, or by an earlier date specified by the Governor, rather than a part of the MOU that must be in place by July 1, 2017. This extension is provided to allow local areas additional time to negotiate and reach consensus on one-stop partner infrastructure funding contributions in PY 2017. During the extension period, local areas may use the funding agreement they used for PY 2016, with any such modifications as the partners may agree to, to fund infrastructure costs in the local area. All final IFAs must satisfy the requirements of sec. 121(h) of WIOA for funding the one-stop delivery system in PY 2017. For PY 2017 and subsequent program years, the IFA must be completed and signed by all required partners and additional partners that are participating by the date specified by the Governor.

Consistent with 20 CFR 678.755, 34 CFR 361.755, and 34 CFR 463.755, IFAs must include the following elements:

- a) The period of time in which the IFA is effective (which may be a different time

- period than the duration of the MOU);
- b) Identification of the infrastructure costs budget, which is a component of the one-stop operating budget;
 - c) Identification of all one-stop partners, CEO(s), and the Local WDB participating in the IFA;
 - d) A description of the periodic modification and review process to ensure equitable benefit among one-stop partners;
 - e) Information on the steps the Local WDB, CEO(s), and one-stop partners used to reach consensus or the assurance that the local area followed the SFM process; and
 - f) A description of the process to be used among partners to resolve issues related to infrastructure funding during the MOU duration period when consensus cannot be reached.

The Departments also consider it essential that the IFA include the signatures of individuals with authority to bind the signatories to the IFA, including all one-stop partners, CEO(s), and Local WDB participating in the IFA.

Items (d) through (f) above are extremely important for two reasons. First, they are designed to ensure that partners negotiate on a level playing field regarding the infrastructure funding of their one-stop centers. Second, they are designed to ensure that partners have established a process to attempt to resolve differences prior to triggering the SFM, as further described below.

The following are the general steps in the allocation of infrastructure costs process:

1. Identify one-stop operating costs, including infrastructure costs and additional costs.
2. Develop the one-stop operating budget that includes an infrastructure costs budget and additional costs budget.
3. Develop the cost allocation methodology, including the identification of cost pools and allocation bases.
4. Determine estimated partner contributions.
5. Prepare and agree to the IFA(s).
6. Allocate actual costs by each partner's proportionate use and relative benefit received.
7. Conduct a periodic reconciliation (i.e., monthly or quarterly).
8. Modify infrastructure costs budget and/or cost allocation methodology, as appropriate.
9. Evaluate the existing process and prepare for the following program year.

Please note the IFAs do not need prior approval from a Federal cognizant agency or a pass-through agency that would have otherwise reviewed and approved proposals for the allocation of indirect costs. However, the infrastructure funding mechanisms are subject to review by Federal administering agencies and one-stop partners to ensure compliance with applicable requirements.

10. Infrastructure Funding Mechanisms. Infrastructure costs are funded either through the LFM or SFM.

The LFM affords Local WDBs and local one-stop partner programs flexibility to design and fund a one-stop delivery system through consensus, to meet the needs of their local or regional area by leveraging the funds and resources available to partners, and the Local WDB to optimally provide program services (20 CFR 678.715 through 678.725, 34 CFR 361.715 through 361.725, and 34 CFR 463.715 through 463.725). If the Local WDB fails to reach consensus with all of the required partners with regard to the amount each partner will contribute to the one-stop delivery system's infrastructure costs pursuant to WIOA sec. 121(h)(1)(A)(i)(I), the SFM is triggered pursuant to WIOA sec. 121(h)(1)(A)(ii) and 20 CFR 678.725 and 678.730, 34 CFR 361.725 and 361.730, and 34 CFR 463.725 and 463.730.

Under the SFM, the Governor is required to calculate the statewide funding caps and the amount available for local areas that have not reached consensus, and to determine the partners' contributions for infrastructure costs using the process outlined below, as well as in 20 CFR 678.730 through 678.738, 34 CFR 361.730 through 361.738, and 34 CFR 463.730 through 463.738. The Governor calculates the statewide caps by considering total funding for a partner program against the statutory caps specified in WIOA for infrastructure costs. Please note that WIOA and its implementing regulations identify caps for specific partner programs. The SFM is only applicable to required one-stop partners, and cannot be triggered by additional one-stop partners not reaching consensus.

The intent of the LFM is to encourage local areas to make a good-faith effort to reach consensus in developing a local IFA. The SFM is intended as a failsafe if local partners cannot come to consensus regarding infrastructure cost funding. However, the application of capped levels of funding under the SFM may restrict the amount one-stop partners have available for infrastructure cost funding in a given local area.

Local Funding Mechanism. In the LFM, the Local WDB, CEO(s), and one-stop partners negotiate and agree to the amounts that each partner will contribute for one-stop infrastructure funding, as well as the methods of calculating these amounts in order to include the infrastructure funding terms in the MOU as an IFA, and to sign the IFA and MOU in accordance with WIOA secs. 121(c)(2)(A)(ii) and 121(h)(1)(A)(i).

- A one-stop partner program's proportionate share of funding must be calculated in accordance with WIOA, its implementing regulations, and the Uniform Guidance. It must be based upon a reasonable cost allocation methodology, whereby infrastructure costs are charged to each partner based on the partner's proportionate use of the one-stop center and the relative benefits received, and must be allowable, reasonable, necessary, and allocable. Partners' contributions must be periodically reviewed (i.e.,

monthly or quarterly) and reconciled against actual costs incurred, and adjusted to ensure that actual costs charged to any one-stop partner are based on proportionate use and relative benefit received by the one-stop partner and its respective program or activities.

- WIOA does not include any caps on the amount or percentage of overall funding a one-stop partner may contribute to fund infrastructure costs under the LFM, except that each partner program's contributions must be consistent with the program's authorizing statute and regulations, as well as with the Uniform Guidance. Detailed guidance about which categories of funds programs can use is found above in section 6. The VR program does not distinguish between program or administrative funds. However, VR agencies must report contributions for infrastructure costs as administrative costs. Contributions from the AEFLA and Perkins IV programs must be from local administrative funds. Contributions made using administrative funds may not exceed the amount available for administrative costs under the authorizing statute or regulations of the partner program. In addition, no partner may contribute more than its proportionate share based on relative benefit and use by the program, consistent with the Uniform Guidance set forth in 2 CFR part 200 (see 20 CFR 678.720, 34 CFR 361.720, and 34 CFR 463.720).

State Funding Mechanism. Although the local one-stop operating budget contains different cost components, failure by only one of the required partners to reach consensus in a local area with respect to the infrastructure costs in the IFA will trigger implementation of the SFM. A failure by required partners to reach consensus on additional costs does not trigger the SFM. If the Local WDB and required one-stop partners fail to reach consensus on funding infrastructure costs under the LFM, as outlined above, this will trigger the SFM. Even if all required partners *except one* agree on the terms of the IFA, consensus is not reached, and the SFM is triggered.

The SFM does not apply to additional partners and cannot be triggered by an additional partner's disagreement on the terms of the IFA or their refusal to sign the IFA. While additional partners are not subject to the SFM, they still are required to contribute to one-stop infrastructure cost funding in accordance with the program's proportionate use of the one-stop center and relative benefit received, consistent with the requirements for one-stop partner contributions in WIOA, the Joint WIOA Final Rule, and the Uniform Guidance at 2 CFR part 200.

The SFM has eight discrete steps that must be followed by the Governor⁴ and Local WDB in

⁴20 CFR 678.730(c) *In certain situations, the Governor does not determine the infrastructure cost contributions for some one-stop partner programs under the State funding mechanism. (1) The Governor will not determine the contribution amounts for infrastructure funds for Native American program grantees described in 20 part 684 of this chapter. The appropriate portion of funds to be provided by Native American program grantees to pay for one-stop infrastructure must be determined as part of the development of the MOU described in § 678.500 and specified in that MOU. (2) In States in which the policy-making authority is placed in an entity or official that is independent of the authority of the Governor with respect to the funds provided for adult education and literacy activities authorized under title II of WIOA, postsecondary career and technical education activities authorized under the*

accordance with the statute and 20 CFR 678.730 through 678.750, 34 CFR 361.730 through 361.750, and 34 CFR 463.730 through 463.750. These steps are addressed in detail below.

Step 1: Notice of failure to reach consensus given to the Governor. If the Local WDB, local one-stop partners, and CEO(s) cannot reach consensus on methods of sufficiently funding a one-stop center's infrastructure costs and the amounts to be contributed by each local partner program, the Local WDB is required to notify the Governor. Notification must be given to the Governor by the specific date established in the Governor's guidance on infrastructure funding. Because the SFM requires the Governor to make complex calculations and determinations and seek the counsel of multiple parties in doing so, it is strongly advised that this date be set at least a few months in advance of the beginning of the next Program Year (i.e., April or May for PY 2018 and those thereafter) in order to allow sufficient time for these calculations and determinations to be completed well before the start of the program year for which infrastructure costs are being negotiated (see section 14 of this guidance for a discussion of the implementation timeline for PY 2017).

Step 2: Local negotiation materials provided to the Governor. In order to assist the Governor in making these calculations and determinations, the Local WDB must provide the appropriate and relevant materials and documents used in the negotiations under the LFM, preferably when notifying the Governor of the failure to reach consensus. At a minimum, the Local WDB must give the Governor: (1) the local WIOA plan; (2) the cost allocation methodology or methodologies proposed by the partners to be used in determining the proportionate share; (3) the proposed amounts or budget to fund infrastructure costs and the amount of partner funds included; (4) the type of funds (cash, non-cash, and third-party in-kind contributions) available; (5) any proposed or agreed upon one-stop center or system budget; and (6) any partially agreed upon, proposed, or draft IFAs. The Local WDBs also may give the Governor additional materials that they or the Governor find to be appropriate.

Step 3: The Governor determines one-stop center infrastructure budget(s). The Governor must determine the infrastructure budget(s). Depending on the local delivery system structure, there may be more than one infrastructure budget, each of which is contained in a one-stop operating budget. While the Governor should take into account the one-stop center's operating budget, the Governor only has the power to determine the infrastructure budget under the SFM. The Governor must determine the infrastructure budget in one of two ways. If, as a result of an agreed upon infrastructure budget, only the individual programmatic contributions to infrastructure funding based upon proportionate use of the one-stop centers and relative benefit received are at issue, the Governor may accept the infrastructure budget, from which the Governor must calculate

Carl D. Perkins Career and Technical Education Act of 2006, or VR services authorized under title I of the Rehabilitation Act of 1973 (other than sec. 112 or part C), as amended by WIOA title IV, the determination of the amount each of the applicable partners must contribute to assist in paying the infrastructure costs of one-stop centers must be made by the official or chief officer of the entity with such authority, in consultation with the Governor. (See also 34 CFR 361.730(c) and 34 CFR 463.730(c).)

each partner's contribution consistent with the cost allocation methodologies contained in the Uniform Guidance. We recommend that the Governor utilize this course of action if it is available.

If; however, an infrastructure budget or budgets were not agreed upon in the local negotiations, or the Governor determines that the agreed upon budget does not adequately meet the needs of the local area or does not reasonably work within the confines of the resources available to that local area in accordance with the Governor's guidance on one-stop infrastructure funding, then the Governor must use a formula determined by the State WDB. This formula must identify the factors, as well as each factor's corresponding weight, that the Governor must use in determining the one-stop center infrastructure budget. At a minimum, these factors must include: (1) the number of one-stop centers in a local area; (2) the total population served by such centers; (3) the services provided by such centers; and (4) any factors relating to the operations of such centers in the local area that the State WDB determines are appropriate (20 CFR 678.745, 34 CFR 361.745, and 34 CFR 463.745).

Step 4: Governor establishes cost allocation methodology.⁵ After an infrastructure budget has been determined, the Governor must establish a cost allocation methodology that determines the distribution of infrastructure funding costs among the local one-stop partners in accordance with the principles of proportionate use of the one-stop center and relative benefit received. This allocation methodology must be consistent with the Federal Cost Principles of the Uniform Guidance in 2 CFR part 200, all relevant Federal regulations and statutes, further regulatory guidance, and the partner programs' authorizing laws and regulations. Beyond these requirements, the determining factor can be a wide range of variables, such as number of customers served, square footage used, or a different basis that is agreed upon for determining each partner's contribution level for infrastructure costs.

Step 5: Partners' proportionate shares are determined. Once a methodology is established, the Governor must use this methodology to determine each required one-stop partner's proportionate share of infrastructure funding costs. The Governor must take into account a number of factors in reaching a proportionate share determination including: (1) the costs of administration of the one-stop delivery system for purposes not specifically related to a one-stop center for each partner (such as costs associated with maintaining the Local WDB or information technology systems); (2) statutory requirements for each partner program; (3) each one-stop partner's ability to fulfill such requirements; and (4) all other applicable legal requirements. The Governor may draw upon any proportionate share determinations made during the local negotiations, including any agreements reached at the local level by one or more partners, as well as any other materials or documents from the negotiating process.

⁵ As described in section 8 of this guidance, a local area may use more than one cost allocation methodology to distribute costs.

In some instances, the Governor does not determine each one-stop partner's contribution amounts for infrastructure costs. In States where the policy-making authority is placed in an entity or official that is independent of the authority of the Governor with respect to the funds provided for the AEFLA program, postsecondary career and technical education activities authorized under Perkins IV, or the VR program, the determination of the amount each of the applicable partners must contribute to assist in paying the infrastructure costs of one-stop centers must be made by the official or chief officer of the entity with such authority, in consultation with the Governor.

For other required partner programs in which grant awards are made to entities that are independent of the authority of the Governor, such as Job Corps center contractors or grant recipients of the DOL-administered national programs, the determination of the amount each of the applicable partners must contribute to assist in paying the infrastructure costs of one-stop centers continues to be made by the Governor, through the authority granted to the Governor by WIOA and its implementing regulations.

Step 6: Governor calculates statewide caps. Once the Governor has created a cost allocation methodology, the Governor then must calculate the statewide caps to determine the maximum amounts that required partner programs could be *required* to contribute toward infrastructure funding in that local area. There are no statewide caps for additional partners because the SFM does not apply to them.

The statewide caps are a statutory requirement for purposes of the SFM, even when only one local area is unable to reach consensus on an IFA through the LFM. However, the caps only restrict those infrastructure cost contributions required by one-stop partners within the local area(s) that has (or have) not reached consensus. The caps used in the application of the SFM are referred to as the applicable program caps, which must be calculated by the Governor using the five sub-steps listed below.

In the event that more than one local area in a State does not reach consensus, then the aggregate of the infrastructure funding costs that must be contributed by each required one-stop partner in all of the local areas that did not reach consensus is restricted by the applicable program cap.

- For example, if three of seven local areas within a State did not reach consensus, then the required infrastructure funding contributions of each required one-stop partner under a particular program in these three areas would be added together, the sum of which could not exceed the calculated applicable program cap.

The Governor must take five sub-steps to calculate the applicable program cap for any given program.

| | |
|--------------------|---|
| <u>Sub-Step 1:</u> | The Governor must apply a partner's individual applicable limiting percentage (the statutory percentages listed in WIOA sec. 121(h)(2)(d))—which is dependent on the type of program (see chart below)—to the total Federal funding which that program receives for the affected program year to reach the maximum potential cap (MPC). The applicable limiting percentage for a program is listed below and in WIOA sec. 121(h)(2)(d), 20 CFR 678.738(c), 34 CFR 361.738(c), and 34 CFR 463.738(c). <u>Some programs will use previous years' funding to determine the cap due to internal program funding allocation or reallocation methods.</u> |
| <u>Sub-Step 2:</u> | The Governor must select a determining factor or factors that reasonably indicate the use of one-stop centers in the State. This could be, for example, total population, concentration of wealth, or another factor that is applicable to the State's workforce dynamic. |
| <u>Sub-Step 3:</u> | The Governor applies the determining factor(s) to <i>all</i> local areas across the State, and then determines the percentage of the factor(s) that is applicable to those areas that reached consensus, or the consensus areas' factor percentage. |
| <u>Sub-Step 4:</u> | The Governor then applies the consensus areas' factor percentage to the MPC to find the consensus areas' portion of the MPC. |
| <u>Sub-Step 5:</u> | The Governor subtracts the amount equal to the consensus local areas' portion of the MPC from the MPC. The remaining amount is the applicable program cap for use in the local areas that have not reached consensus and are subject to the SFM. |

Limiting Percentages for Programmatic Statewide Caps on Infrastructure Funding Under the State Funding Mechanism:

| <u>Program Type</u> | <u>Limiting Percentage</u> |
|--|---|
| WIOA title I programs (youth, adult, or dislocated worker) | 3% |
| Wagner-Peyser Act ES | 3% |
| AEFLA | 1.5% |
| Perkins IV | 1.5% of funds made available for postsecondary level programs and activities and funds used to administer postsecondary level programs and activities in the prior year |
| VR | |
| PY 2017 | 0.75% of Fiscal Year 2016 Federal VR funding |
| PY 2018 | 1% of Fiscal Year 2017 Federal VR funding |
| PY 2019 | 1.25% of Fiscal Year 2018 Federal VR funding |
| PY 2020 and subsequent years | 1.5% of Fiscal Year 2019 (or applicable) |

| <u>Program Type</u> | <u>Limiting Percentage</u> |
|--|--|
| | previous year) Federal VR funding |
| TANF | 1.5% of funds from the previous year spent on work, education, and training activities, plus any associated administrative costs |
| CSBG | 1.5% of funds from the previous year spent by local CSBG-eligible entities to provide employment and training activities, plus any associated administrative costs |
| Other required partners including Job Corps; YouthBuild; Native American programs; MSFW (NFJP) programs; SCSEP; TAA; UC; HUD employment and training programs; and programs authorized under sec. 212 of the Second Chance Act of 2007 | 1.5% |
| Additional (non-required) partners | SFM does not apply |

Step 6 contains five sub-steps of which sub-steps 1, 4, and 5 contain the following formulas:

| |
|--|
| <p><u>Sub-Step 1</u></p> <p>Limiting percentage x total Federal program funding = MPC</p> |
|--|

| |
|---|
| <p><u>Sub-Step 4</u></p> <p>Consensus areas' factor percentage x MPC = consensus areas' portion of the MPC</p> |
|---|

| |
|---|
| <p><u>Sub-Step 5</u></p> <p>MPC – consensus areas' portion of the MPC = applicable program cap for non-consensus area(s)</p> |
|---|

Cap calculation examples:

- **Example 1:** In PY 2017, there are seven local areas within a State, two of which have not reached consensus on infrastructure funding. *Program A*—which is a WIOA title I program—receives \$30 million in total Federal funding for PY

2017. Applying the appropriate **limiting percentage** of three percent to the program's **total Federal funding** results in a **MPC** of \$900,000 for PY 2017.

$$.03 \times 30,000,000 = 900,000$$

The Governor selects total population as the **determining factor** and finds that 70 percent of the State's population resides in local areas that have reached consensus, which is the **consensus areas' factor percentage**. The Governor then applies the **consensus areas' factor percentage** (70 percent) to the **MPC** (\$900,000), resulting in the **consensus areas' portion of the MPC** being \$630,000.

$$.7 \times \$900,000 = \$630,000$$

Finally, the Governor subtracts the **consensus areas' portion of the MPC** (\$630,000) from the **MPC** (\$900,000), giving an **applicable program cap** of \$270,000 for the non-consensus area(s). This portion of the cap does not have to be divided evenly between local areas, but rather in a manner determined by the Governor.

$$\$900,000 - \$630,000 = \$270,000$$

- **Example 2:** In addition to *Program A* listed above, *Program B*—a VR program—received a Federal VR allotment of \$10 million for the State in FY 2016. Applying the appropriate PY 2017 **limiting percentage** of 0.75% to the **State's Federal FY 2016 VR allotment** results in a **MPC** of \$75,000 for PY 2017.

$$.0075 \times \$10,000,000 = \$75,000$$

The Governor selects total population as the **determining factor**, and finds that 70 percent of the State's population resides in local areas that have reached consensus, which is the **consensus areas' factor percentage**. The Governor then applies the **consensus areas' factor percentage** (70 percent) to the **MPC** (\$75,000), resulting in the **consensus areas' portion of the MPC** being \$52,500.

$$.7 \times \$75,000 = \$52,500$$

Finally, the Governor subtracts the **consensus areas' portion of the MPC** (\$52,500) from the **MPC** (\$75,000), giving an **applicable program cap** of \$22,500 for the non-consensus area(s).

$$\$75,000 - \$52,500 = \$22,500$$

Step 7: Governor assesses the aggregate total of infrastructure contributions as it relates to the statewide cap. Once the Governor has determined the applicable program cap for each program, as well as the proportionate share of the infrastructure costs that the Governor has determined under Step 5 would be required of each local required one-

stop partner in a non-consensus area without regard to the cap, the Governor must ensure that the funds required to be contributed by each partner program in the non-consensus local area(s), in aggregate, do not exceed the applicable program cap.

If the aggregate total contributions are below the applicable program cap, then the Governor must direct the one-stop partners to contribute what was determined to be their proportionate shares. If the aggregate total contributions exceed the cap, then the Governor may either:

- A. Inquire as to whether those local partner programs that have pushed the aggregate total contributions above the applicable program cap (i.e., those whose contributions would have otherwise exceeded the Statewide cap on contributions) are willing to contribute beyond the applicable program cap in accordance with their proportionate share; or
- B. Allow the Local WDB, one-stop partners, and CEO(s) to:
 - Re-enter negotiations to reassess each one-stop partner's proportionate share and make adjustments and identify alternate sources of funding to make up the difference between the capped amount and the proportionate share of infrastructure funding of the one-stop partner; and
 - Reduce infrastructure costs to reflect the amount of funds available without exceeding the applicable program cap level.

Step 8: Governor adjusts proportionate shares. The Governor must make adjustments to specific local partners' proportionate share in accordance with the amounts available under the applicable program cap for the associated program, if the Local WDB, CEO(s), and the required one-stop partners fail to reach agreement on how to address the situation in which the proportionate share exceeds the cap using the approaches described in Step 7. The aggregate total contribution of a program's local one-stop partners under the SFM may not exceed the applicable program cap.

11. Appeals Process. The Governor must establish a process, described in the Unified or Combined State Plan, for one-stop partners to appeal the Governor's determination regarding the one-stop partner's portion of funds to be provided for one-stop infrastructure costs under the SFM, as outlined in 20 CFR 678.750, 34 CFR 361.750, and 34 CFR 463.750.

Partner programs not under the control of the Governor. Under the SFM, the Governor has authority to determine the financial contribution of all required one-stop partners towards infrastructure costs in accordance with 20 CFR 678.725 through 678.738, 34 CFR 361.725 through 361.738, and 34 CFR 463.725 through 463.738. For AEFLA programs and activities, the VR program, and postsecondary career and technical education activities under Perkins IV, in States in which the policy-making authority is placed in an entity or official that is independent of the authority of the Governor, the determination of the amount each of these programs must contribute toward infrastructure costs must be made by the official or chief officer of the entity with policy-making authority, in consultation with the Governor (20 CFR 678.730(c)(2), 34 CFR 361.730(c)(2), and 34 CFR 463.730(c)(2)).

12. Preference for Implementing the Local Funding Mechanism. The Departments emphasize the importance of local one-stop partners, Local WDBs, and CEOs reaching consensus on infrastructure funding during local negotiations, thus avoiding the necessity of utilizing the SFM. The underlying reason for this is that local parties involved in the development of the MOU, whether they are one-stop partners, Local WDBs, or CEOs, are more likely to understand the needs of the local area's workforce, how to best meet these needs through the one-stop delivery system, and the resources needed to meet these needs, as well as the best way to obtain these resources to encourage the use of the LFM and input from local entities. There are no specific programmatic caps on the amount or percent of overall funding a one-stop partner may contribute to fund infrastructure costs under the LFM, except that contributions for administrative costs may not exceed the amount available for administrative costs where applicable under the authorizing statute of the partner program, and contributions may not exceed a partner's proportionate use or relative benefit received consistent with the requirements of the Uniform Guidance.

Under the SFM, the Governor may direct the Local WDB, CEO(s), and required one-stop partners into renegotiations. In this event, parties may come to agreement, sign a MOU, and proceed under the LFM. Such actions do not require the redetermination of the applicable caps under the SFM.

It is expected that the Governor generally will draw heavily from the local negotiation process throughout the implementation of the SFM. As such, even if consensus cannot ultimately be reached in a local area, it is to the benefit of each local one-stop partner to actively participate in local negotiations in a good faith effort to reach agreement. Governors are encouraged to take into account agreed upon budgets, proposed funding commitments, proposed or agreed upon proportionate share allocation methodologies, and other information generated during local negotiations. Parties negotiating in good faith will consequently have much more influence over the outcomes of an eventual implementation of the SFM, if that is necessary.

The SFM's programmatic caps create uncertainty for local one-stop partners regarding how much they will be required to contribute toward infrastructure costs and the level of service they will be able to provide to their participants. For example, if only one local area in a State is unable to reach agreement, then that local area's one-stop partners could be held responsible for the total difference between the MPC and the amount that the consensus area is already considered to have contributed towards the MPC. Since the Governor, not the one-stop partners, has the final say under the SFM concerning the proportionate shares of each local one-stop partner and the allocation method under which this is calculated, a one-stop partner could pay far more under the SFM than it would have paid under the LFM.

One-stop operating budget and partner proportionate shares are calculated before the caps are calculated under the SFM, and the caps do not automatically contribute to a restriction of services. This order of calculations permits local one-stop partners that are willing to contribute above their applicable cap amounts within the bounds of the requirements of authorizing statutes, so long as no partner pays more than its proportionate share, based on proportionate use and relative benefit received, consistent with the Uniform Guidance in 2 CFR part 200.

13. Roles and Responsibilities. This section outlines the roles and responsibilities of Governors, State and Local WDBs, CEOs, and one-stop partners.

Governors. After consultation with CEOs and the State and Local WDBs, the Governor must issue guidance, in accordance with 20 CFR 678.705, 34 CFR 361.705, and 34 CFR 463.705, about the funding of one-stop infrastructure costs to:

- State-administered one-stop partner programs, to determine partner contributions to the one-stop delivery system, based on each partner's proportionate use of the one-stop system and relative benefit received, consistent with the Uniform Guidance at 2 CFR part 200; and
- Local WDBs, CEOs, and one-stop partners, to assist in determining equitable and stable methods of funding infrastructure costs based on partners' proportionate use and relative benefit received from operating within the one-stop delivery system (WIOA sec.121(h)(1)(B)(i)). The guidance issued by the Governor must cover partner roles in identifying infrastructure costs; approaches to facilitate development of a reasonable cost allocation methodology/methodologies, in which infrastructure costs are charged based upon proportionate use and the relative benefits received by the partner; timelines for the appeal process; and timelines to notify the Governor of failure to reach a local consensus. The Governor also is responsible for performing many of the functions of the SFM, as is detailed above.

State WDBs. State WDBs consult with the Governor to assist with the issuance of guidance regarding the funding of infrastructure costs, as outlined above and in 20 CFR 678.705(a), 34 CFR 361.705(a), and 34 CFR 463.705(a). State WDBs also are responsible for the development of the formula used by the Governor under the SFM to determine a one-stop center's budget if either a budget was not agreed upon during initial local negotiations or the Governor rejects a budget for the reasons explained earlier in this guidance (20 CFR 678.745, 34 CFR 361.745, and 34 CFR 463.745).

Local WDBs. Local WDBs and one-stop partners must establish, in the MOU, an IFA for how the Local WDB and programs will fund the infrastructure costs of the one-stop centers (WIOA sec. 121(c)(1), 20 CFR 678.500(b)(2)(i), 34 CFR 361.500(b)(2)(i), and 34 CFR 463.500(b)(2)(i)). If one-stop partners are unable to reach consensus on funding for infrastructure costs of one-stop centers, the Local WDB must notify the State WDB, Governor, and relevant State agency (20 CFR 678.510(c), 34 CFR 361.510(c), and 34 CFR 463.510(c)).

Chief Elected Officials. CEOs consult with the Governor to assist in issuing guidelines regarding the one-stop service delivery funding mechanism, as outlined above (20 CFR 678.705, 34 CFR 361.705, and 34 CFR 463.705).

One-Stop Partners. One-stop partners are to act in good faith and negotiate infrastructure costs and additional costs of operating a local one-stop delivery system in a transparent manner (20 CFR 678.510(a), 34 CFR 361.510(a), and 34 CFR 463.510(a)). Jointly-funded

infrastructure and additional costs are a necessary foundation for a one-stop service delivery system. Through the sharing of infrastructure costs and additional costs, partners are empowered to build a robust one-stop delivery system. By embracing the one-stop opportunities, one-stop partners are able to build community-benefiting bridges, rather than silos of programmatic isolation. These partnerships may reduce administrative burden and costs and increase customer access and performance outcomes.

Required one-stop partner programs have specific governance, operations, and service delivery roles, which are outlined in WIOA sec. 121(b)(1)(A) and 20 CFR 678.420, 34 CFR 361.420, and 34 CFR 463.420. Additional partners provide services and also must contribute towards the infrastructure and additional costs of operating a local one-stop delivery system.

- 14. Implementation Timeline.** DOL is using its transition authority in WIOA sec. 503(b) to provide an extension for the implementation date of the final IFAs for PY 2017. With this extension, final IFAs must be in place no later than January 1, 2018. However, Governors have the discretion to require local areas to enter into final IFAs at any time between July 1, 2017 and January 1, 2018. During the extension period, local areas may use the funding agreement they used for PY 2016, with any such modifications as the partners may agree to, to fund infrastructure costs in the local area. Furthermore, during the extension period, the regulations at 20 CFR 678.510(b) and 678.715(c), 34 CFR 361.510(b) and 361.715(c), and 34 CFR 463.510(b) and 463.715(c) providing for a six-month interim IFA do not apply. This extension does not change the deadline of July 1, 2017 for the rest of the MOU.
- 15. Action Requested.** The Departments encourage Governors, State and Local WDBs, and Federal program partners to begin consultations about the infrastructure LFM and SFM immediately to support the development and issuance of guidance regarding one-stop service delivery system funding as soon as possible.
- 16. Inquiries.** Questions and comments from DOL-funded grantees may be directed to the appropriate ETA Regional Office and Federal Project Officer. ~~Questions and comments~~ from ED-funded grantees may be directed to the appropriate RSA State Liaison or OCTAE Area Coordinator.

17. Attachments.

Attachment I: Examples of Cost Pools and Possible Allocation Bases

Attachment II: Paying for the One-Stop Delivery System

Attachment III: Infrastructure Costs: Funding Sources

Attachment IV: One-Stop Operating Costs

APPENDIX D
WIOA Bulletin No. 12-16

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(SN 12)

WIOA BULLETIN NO. 12-16

DATE: October 3, 2016

TO: WIOA PARTNERS

SUBJECT: One-Stop Infrastructure Funding and Memoranda of Understanding

PURPOSE AND APPLICABILITY

These guidelines fulfill the WIOA requirement that the Workforce Development Council (WDC) issue guidance to State and local partners for negotiating cost sharing, service access, service delivery and other matters essential to the establishment of effective local workforce development services under WIOA §678.705. They apply to:

- All State-level agencies and entities in Hawaii responsible for planning and administration of federally-funded workforce development programs [678.400 and 678.700(c)], and
- Local Workforce Development Boards (LWDBs) and Chief Local Elected Officials (CLEOs), the county Mayors, responsible for planning and administering workforce development services in a local workforce area (LWA).
- All required partners, LWDBs and CLEOs are expected to act in accordance with these guidelines and to otherwise comply with them. As required by WIOA, WDC will monitor local areas to assure compliance with these guidelines.

The public workforce system envisioned by WIOA seeks to provide all participants with access to high-quality one-stop centers that connect them with the full range of services available in their communities, whether they are looking to find jobs, build educational or occupational skills, earn a postsecondary certificate or degree, obtain guidance on how to chart careers, or are employers seeking skilled workers. A genuinely seamless, one-stop experience requires strong partnerships across programs that are able to streamline service delivery and align program requirements. (p. 55880 Federal Register, Vol. 81, No. 161, 8/19/16, Rules and Regulations).

GOALS

WIOA establishes ambitious goals for the integration of workforce service programs. These goals are intended to maximize the value and benefits to customers of services available to them under federally-funded workforce development programs. Included are business customers seeking to acquire the talent and skills needed to compete in a global economy. Also included are program participants seeking to acquire skills and recognized credentials to move along pathways that lead to high-paying jobs in growing sectors of the economy that offer long-term opportunities for stable employment.

Carefully planned and coordinated services among all federally-funded workforce development programs are necessary to achieve the level of integrated service delivery WIOA envisions. This means that all federally-funded workforce development programs work collaboratively in partnership to optimize the quality of services provided.

Recognizing that successful integration is directly related to coordinated and joint use of resources, WIOA also requires each partner to contribute its proportionate share of costs required for operation of local one-stop delivery systems.

Section I: Negotiation of Local Memoranda of Understanding

Negotiating of Memoranda of Understanding is a collaborative and good-faith process that LWDBs and partners are expected to use to negotiate MOUs. "Good-faith" negotiations may include fully and repeatedly engaging partners, transparently sharing information, and maintaining a shared focus on the needs of the customer. Development and negotiation of local memoranda of understandings will follow these basic principles and guidelines:

- a. The local MOU will be used as an essential tool for achieving a key goal of WIOA: establishing integrated and effective local workforce delivery systems that produce the skilled workers businesses in the local and regional economies require.
- b. Local MOUs will reflect the shared vision and commitment of LWDBs and required partners to high-quality workforce development systems and centers, and be consistent with the vision articulated by WIOA and State and local priorities.
- c. Local MOUs will reflect and document how each partner will contribute its proportionate share of infrastructure costs for the comprehensive one-stop center.
- d. All required partners entering into the MOU development and negotiation process will be empowered to make commitments for the partner organization, including staff or other local representatives of the following State administered programs:
 1. Department of Labor and Industrial Relations (DLIR), Workforce Development Division (WDD): Wagner-Peyser Act, Trade Adjustment Act, SCSEP
 2. Department of Labor and Industrial Relations (DLIR), Unemployment Insurance Division
 3. Hawaii Department of Education (HIDOE), Adult Education and Family Literacy
 4. University of Hawaii (UH), Career and Technical Education (CTE) under the Carl D. Perkins Act
 5. Department of Human Services (DHS), Division of Vocational Rehabilitation (DVR) and Temporary Assistance for Needy Families (TANF)
 6. Department of Public Safety (PSD), Second Chance Act

And the representatives of the following federal agency:

7. Department of Housing and Urban Development

Each required partner entering into the MOU development and negotiation process will designate a specific individual with authority to commit financially and programmatically on behalf of the required partner. This individual may be staff from a State agency's state or local office or a local representative providing services for a State-level entity through a contract, grant or similar agreement.

Required Partners [WIOA sec. 121(b)(1)(B) and 20 CFR 678.400]:

1. Programs authorized under Title I of WIOA (Adult, Dislocated Worker, and Youth);
2. Programs authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.);
3. Adult education and literacy activities authorized under Title II;
4. Programs authorized under Title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.) (other than section 112 or part C of title I of such Act (29 U.S.C. 732, 741);
5. Activities authorized under Title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.);
6. Career and technical education programs at the postsecondary level authorized under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.);
7. Activities authorized under Chapter 2 of Title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.);

8. Activities authorized under Chapter 41 of Title 38, United States Code;
9. Employment and training activities carried out under the Community Services Block Grant Act (42 U.S.C. 9901 et seq.);
10. Employment and training activities carried out by the Department of Housing and Urban Development;
11. Programs authorized under State unemployment compensation laws (in accordance with applicable Federal law);
12. Programs authorized under Section 212 of the Second Chance Act of 2007 (42 U.S.C. 17532); and
13. Programs authorized under Part A of Title IV of the Social Security Act (42 U.S.C. 601 et seq.).

Additional Partners [WIOA sec. 121 (b)(2)(B) and 20 CFR 678.410]:

With approval of the LWDB and CLEO, other entities that carry out workforce development programs, in addition to the required entities may be one-stop partners for the local area and carry out the same responsibilities as the required partners. Those programs may include:

1. Employment and training programs administered by the Social Security Administration, including the Ticket to Work and Self-Sufficiency Program established under Section 1148 of the Social Security Act (42 U.S.C. 1320b-19);
2. Employment and training programs carried out by the Small Business Administration;
3. Programs authorized under Section 6(d)(4) of the Food and Nutrition Act of 2008 [7 U.S.C. 2015(d)(4)];
4. Work programs authorized under Section 6(o) of the Food and Nutrition Act 2008 [7 U.S.C. 2015(o)];
5. Programs carried out under Section 112 of the Rehabilitation Act of 1973 (29 U.S.C. 732);
6. Programs authorized under the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.); and
7. Other appropriate Federal, State, or local programs, including employment, education, and training programs provided by public libraries or in the private sector.

All individuals participating in the development and negotiation of local MOUs will negotiate in good faith to reach agreement and to bring about a unified vision for the local one-stop delivery system. Local MOU negotiations will be conducted according to these guidelines.

Each MOU shall contain, provisions describing [WIOA Sec. 121 (c)(2) and 20 CFR Part 678, Subpart C; 34 CFR 361.500-361.550; 34 CFR 463.500-463.510]:

- a. The services to be provided through the one-stop delivery system consistent with the requirements of WIOA Section 121; including the manner in which the services will be coordinated and delivered through the system;
- b. The location(s) of the comprehensive one-stop center at which these services will be accessible; LWDBs and CLEOs may also designate affiliated sites or specialized centers at their discretion, provided they meet the requirements of 20 CFR 678.310, 678.315, and 678.320;
The role of the one-stop operator; the role of the one-stop operator must comply with requirements specified in 20 CFR 678.620, 678.625 and 678.630;
- c. The specific method of delivery for each required partner providing services and how the services will be coordinated;
- d. How the costs of the services and the operating costs of the system will be funded, including:
 - i. funding through cash and fairly evaluated in-kind contributions, which may include funding from philanthropic organizations or other private entities, or through other alternative financing options to provide a stable and equitable funding stream for ongoing one-stop delivery system operations; and
 - ii. funding of the infrastructure costs of the one-stop centers according to these guidelines; and
 - iii. funding of the infrastructure costs which are consistent with Chapter II of Title II, Code of Federal Regulations.
- e. The specific methods of referral of individuals between the one-stop operator and the one-stop partners for appropriate services and activities;

- f. The specific methods and the specific arrangements to ensure the needs of workers and youth, and individuals with barriers to employment, including individuals with disabilities, are addressed in the provision of necessary and appropriate access to services, including access to technology and materials, made available through the one-stop delivery system;
- g. How core program partners will share local data and information and otherwise collaborate to assure that all common primary indicators of performance for the local area will be achieved while ensuring confidentiality of Personally Identifiable Information (PII) for program participants;
- h. Identifying the specific infrastructure and local workforce development system costs that will be shared among the required partners;
- i. The duration of the MOU and the procedures for amending the memorandum during the duration of the memorandum, and assurances that the memorandum shall be reviewed not less than once every 3-year period to ensure appropriate funding and delivery of services; and
- j. Any other provisions, consistent with the requirements of WIOA, as the parties to the agreement determine to be appropriate.

Each MOU shall also include:

An approved annual budget in a format similar to the table provided in Appendix VIII and negotiated in accordance with these guidelines.

The chair of the LWDB will designate:

1. An individual who will take the lead responsibility for negotiation of the MOU; and
2. Designate a private sector member of the board, or other impartial individual, as having lead responsibility for negotiation of infrastructure costs.

The individual the LWDB chair designates to lead the MOU negotiation process and local required partners will use as a starting point for their negotiations the "State-level Career Services Summary" and the "State-Level Program and Activities Services Summary," Appendices III and IV. Additional partners may be added at the discretion of the LWDB and CLEOs and with agreement of these additional partners.

The MOU will identify the local comprehensive one-stop center(s) in the local area, describe the role of the operator in the local comprehensive one-stop center(s), including the local operator's role and responsibilities for coordinating referrals among required partners. The role of the one-stop operator must comply with requirements specified in ~~20 CFR 678.620, 678.625 and 678.630~~. LWDBs and CLEOs may also designate affiliated sites or specialized centers at their discretion, provided they meet the requirements of 20 CFR 678.310, 678.315 and 678.320.

Other MOU requirements:

The proportion of each required partner's shared infrastructure and local workforce development systems costs will be determined according to these guidelines. All cost sharing determinations must be consistent with the "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards."

Upon agreement, the LWDB, required partners and CLEO(s) will be required to sign the MOU, which may either be an umbrella agreement encompassing all required partner programs or separate agreements with each required partner or groups of required partners. LWDBs are encouraged to use umbrella MOUs in the interest of transparency. The LWDB will report to the WDC on the results of MOU negotiations in a format similar to the form provided in Appendix IX of these guidelines.

Signed MOUs must be submitted to the Executive Director of WDC before July 1st of each year in which an MOU is negotiated.

The process and efforts of the LWDB and required partners to negotiate the MOU and the process to be followed when consensus cannot be reached must be described in the MOU. The MOU should also address the process for resolving any disputes that evolve after the agreement is reached.

The duration of local MOUs and the frequency with which MOUs will be reviewed will be determined by LWDBs but may not exceed three years. A budget for infrastructure and shared system costs must be negotiated annually and incorporated into the MOU through the amendment procedures described in the MOU.

Local MOU negotiations will occur during a prescribed 90-day period as described in Section 4, with each local area reporting to the WDC at the end of this negotiation period as described in Section 4.

In addition to the 90-day period of negotiation, a 30-day remediation period will be provided for local areas reporting that they were unable to come to agreement on an MOU during the prescribed period of negotiation. During this remediation period, a State-level team, comprised of representatives of the core programs under WIOA, supplemented as necessary with a representative of other affected program partner(s), will work with the LWDB, CLEOs and required partners in an attempt to facilitate agreement.

Only local areas that fail to reach agreement at the end of the remediation period will be considered to be at impasse. The State funding mechanism will apply to certified comprehensive one-stop centers only in local areas which cannot reach agreement on an MOU at the end of the 30-day remediation period.

The MOU must acknowledge that the agreements made are contingent on the availability of Federal funding for each required program.

SECTION 2 – NEGOTIATION OF INFRASTRUCTURE COSTS

Local areas are expected to reach agreement on how infrastructure costs will be shared among required partners. One of two mechanisms for funding the infrastructure costs of comprehensive one-stop centers can be used: a local funding mechanism when all required partners agree on how infrastructure costs will be shared, which is the expectation, and a State-determined funding mechanism that will be used only as a last resort when it is impossible to reach local agreement. Use of either of these methods must conform to the requirement of 20 CFR Subpart E – One-Stop Operating Costs (20 CFR 678.710). (A summary comparison of requirements and features associated with each mechanism is included as Appendix V.)

Local comprehensive one-stop center infrastructure costs to be shared among all required partners will be defined on a budget form as described in Section 5 and Appendix VIII. (A list of infrastructure cost line items and definitions is included as Appendix VI. This list is not all inclusive.)

An infrastructure budget for each comprehensive one-stop center will be prepared annually on a WIOA program year basis.

The chair of each LWDB will designate a private sector member of the board, or other impartial individual, to assume lead responsibility for negotiation of infrastructure costs. Upon designation, the private sector board member or other impartial individual will convene an initial meeting of all required partners and CLEOs, or their representatives, to begin developing the one-stop center infrastructure cost budget.

Prior to the initial meeting, the entity or entities serving as the leaseholder for the designated comprehensive one-stop center(s) will provide the representative of the LWDB, CLEO, and all required partners with the following specific information:

1. Information on the term of the lease;
2. The specific items of cost covered by the lease; and
3. Actual costs in the prior year for all line items included which are not covered by the lease.

The private sector board member or other impartial individual designated by the LWDB chair to lead the infrastructure cost negotiation process will also see that required partners are provided information on the number of Full-time Equivalents (FTEs) that required partners committed to the operation of the local one-stop delivery system the prior year.

At their initial meeting, the private sector board member or other impartial individual designated by the LWDB chair, and required partners will review and discuss actual costs in the prior year and new needs for the coming budget year.

The private sector member or other impartial individual the LWDB chair designates to lead the infrastructure negotiation process will obtain all assistance needed to prepare a draft budget for future consideration by all required partners. The draft budget must be consistent with these guidelines.

The private sector board member or other impartial individual the LWDB chair designates to lead the infrastructure cost negotiation process will see that a draft budget is presented to all required partners at least two weeks prior to a second meeting of required partners. This draft budget will also be submitted simultaneously to a person(s) to be designated at the State level.

At their second meeting, the required partners will review the draft budget and make all revisions agreed upon.

The private sector board member or other impartial individual the LWDB chair designates to lead the infrastructure cost negotiation process will prepare a final budget that allocates agreed-upon infrastructure costs equitably among required partners. These costs will be allocated among required partners in accordance with the methodology agreed to by the required partners.

Full-time equivalent method:

The proportion of each required partner's FTE staffing dedicated to support the operation of comprehensive one-stop centers will be used as the basis for determining each required partner's share of infrastructure costs. FTE staffing is defined to include:

- Required partner or contractor FTE staff onsite at the one-stop center; and
- Required partner or contractor FTE staff offsite but who are dedicated and available on demand to meet service access requirements via "direct linkage."

Square foot allocation method:

The proportion of space each required partner occupies or commits to occupy in the one-stop may be used as the basis for determining each required partner's share of infrastructure costs. This method is also the basis for the State's infrastructure funding mechanism except that the State's mechanism does not allow in-kind contributions. The State infrastructure funding mechanism requires all cash contributions.

The formula the WDC will use to determine each required partner's proportionate share of comprehensive one-stop center infrastructure costs in the case of an impasse:

A = Total infrastructure cost

B = Total square footage of the one-stop center minus the common areas

C = Cost per square foot = A/B

D = Square footage occupied by each partner, including space for technology; (required partners must commit to space)

E = Required partner's proportionate share = (C) (D)

Any cost allocation method the required partners agree upon must be consistent with "Uniform Administrative

Requirements, Cost Principles, and Audit Requirements for Federal Awards.”

The private sector board member or other impartial individual designated by the LWDB chair to lead infrastructure cost negotiations will distribute this final budget at least two weeks prior to a third meeting of required partners, at which time all required partners will be asked to approve the infrastructure cost budget.

If, after the 30-day period of remediation, a required partner as identified in Section 1 does not agree to approve the local budget, then the infrastructure costs allocated to that required partner under the local budget will be compared to the amount of infrastructure costs that would be calculated under the State funding formula. If the amount allocated to this required partner under the State funding formula is greater than or equal to the amount allocated in the local budget, then the required partner must accept the local budget.

The final approved budget will be incorporated annually into the approved Memorandum of Understanding (MOU) as an amendment using amendment procedures specified in the MOU. Failure to reach agreement on comprehensive one-stop center infrastructure costs at the end of the established 30-day remediation period will result in the use of the State infrastructure funding method.

Following the end of each State fiscal year, and after all budgeted infrastructure costs have been incurred, the private sector board member the LWDB chair designates to lead the MOU negotiation process will assure budgeted costs by required partners are reconciled to actual costs and that any necessary adjustments are made.

SECTION 3: NEGOTIATION OF LOCAL ONE- STOP DELIVERY SYSTEM COSTS

All required partners under WIOA are required to use a portion of their program funds to pay additional costs relating to operation of the local one-stop delivery system. These costs include the costs of providing shared career services to individuals, costs to support LWDB functions and other costs that promote integration of services. (Appendix VII provides a list of costs that may be considered shared local system costs. This list should not be considered allinclusive.)

Required partners may meet their cost sharing obligations through any of the following methods:

- Cash contributions as allowed by the statutes and regulations governing each program;
- Locally agreed upon and fairly valued in-kind contributions that provide tangible benefits for the local service delivery system to offset a cash contribution the partner may otherwise be asked to make;

Required partners are encouraged to give priority to those shared costs which bring about integration, streamline service delivery and lead to better outcomes.

The amount each required partner contributes to local one-stop service delivery system costs must be allowable under each required partner’s statutory and regulatory requirements. Contribution amounts must also be proportionate to the benefit received and determined in accordance with “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.”

SECTION 4: TIMELINES FOR NEGOTIATION OF MOUS AND INFRASTRUCTURE COSTS

Local boards may begin their negotiations related to services, methods of delivery, infrastructure and other shared costs at any time, but they must be concluded by April 30 of each calendar year.

A final report on the outcomes of these negotiations must be provided by May 15 of each calendar year to the WDC’s Executive Director (refer to Appendix IX).

A 30-day period for remediation will begin on or around April 15th of each calendar year and continue through the end of May. Failure to reach agreement on comprehensive one-stop center infrastructure costs at the end of the established 30-day remediation period will trigger infrastructure funding using the State infrastructure funding

mechanism. Each required partner's proportionate share of infrastructure costs using the State infrastructure funding mechanism in these instances will be determined based on square footage occupied by each program at the One-Stop center.

Local areas that cannot reach agreement on an MOU at the end of the 30-day remediation period for reasons other than the allocation of infrastructure costs will be reported to the U.S. Secretary of Labor and head of any other relevant Federal agency as required in 20 CFR 678.510.

SECTION 5: REPORTING OF FINAL NEGOTIATION OUTCOMES

Local boards must provide a draft budget to the Executive Director of the WDC by no later than February 28th of each calendar year. This budget is to be provided in a standard format. (A suggested budget is included as Appendix VIII.)

A final report on the outcomes of the MOU negotiations must be provided by March 31st each calendar year to WDC's Executive Director. (Appendix IX is the report required from local areas regarding final outcomes of MOU negotiations.)

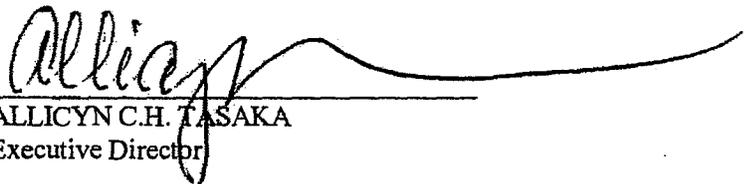
SECTION 6: APPEALS PROCESS FOR INFRASTRUCTURE COSTS

The WDC will make the final determination of each required partner's proportionate share of statewide infrastructure costs under the State funding mechanism as described in these guidelines.

A required partner may appeal the determination on the basis of a claim that:

1. The determination is inconsistent with the proportionate share requirements of 20 CFR 678.735(a).
2. The determination is inconsistent with the cost contribution caps described in 20 CFR 678.735(c).

An appeal must be made within 21 days of the WDC's determination and follow the appeal process outlined in the State Unified Plan.


ALLICYN C.H. TASAKA
Executive Director

APPENDIX I
Glossary

| TERM | DEFINITION |
|--|--|
| 1. Comprehensive one-stopcenter | A single physical location in each Local Workforce Development Area (LWDA) where on-demand access to career services, training services, employment services and all required programs is available. Staff must provide Adult, Dislocated Worker, Youth and Wagner-Peyser services physically on-site. |
| 2. Full-time equivalent (FTE) | The ratio of the total number of hours worked (whether part-time, full-time or contracted) divided by an average full-time work week (e.g., 40 hours). Example: Two employees who work 20 hours per week are the equivalent of one full-time employee or one FTE. One employee who works 20 hours per week is expressed as .5 FTE. |
| 3. Infrastructure costs | WIOA §121(h)(4) defines infrastructure costs to mean: "...the non-personnel costs that are necessary for the general operation of the one-stop center, including the rental costs of facilities, the costs of utilities and maintenance, equipment (including assessment-related products and assistive technology for individuals with disabilities), and technology to facility access to the one-stop center, including the center's planning and outreach activities." |
| 4. Local one-stop delivery system | The network of workforce-related products, programs, services and service locations established to meet business and jobseeker needs in a LWDA. |
| 5. Local Workforce Development Area (LWDA) | A geographic area designated by WDC to receive and administer WIOA funding at the local level according to WIOA §106. |
| 6. Memorandum of Understanding (MOU) | A document defining the agreement between the local board, CLEO and required partners relating to the operation of the workforce delivery system in the local area, including operating and infrastructure costs. |
| 7. Proportionate share | An amount determined by the WDC that represents a required partner's portion of comprehensive one-stop infrastructure costs statewide for purposes of the State infrastructure funding mechanism. This amount is determined through a reasonable cost allocation methodology that assigns costs to required partners in proportion to relative benefits received. |

| TERM | DEFINITION |
|------------------------|---|
| 8. Required partners | <p>WIOA identifies 17 required program partners, four of which are "core program partners," that must provide services in comprehensive one-stop centers and share in the cost of maintaining the one-stop delivery system subject to a Memorandum of Understanding (MOU). The 17 required partners follow:</p> <ul style="list-style-type: none"> a. Workforce Development Activities serving Youth, Adults and Dislocated workers under Title IB of WIOA b. Adult Education and Literacy programs under Title II of WIOA c. Employment Services under the Wagner-Peyser Act and Title III of WIOA d. Vocational rehabilitation services under Title I of the Rehabilitation Act of 1973 and Title IV of WIOA e. Career and technical education programs at the secondary and post-secondary levels under the Carl D. Perkins Career and Technical Education Act f. Programs under the Trade Act of 1974 (TAA) g. Title IV of the Social Security Act (Temporary Assistance for Needy Families (TANF) programs) h. Senior Community Services Employment Program (SCSEP) i. Employment and training activities under the Community Services Block Grant (CSBG) j. Housing and Urban Development employment and training activities k. Unemployment compensation programs l. Activities under the Second Chance Act of 2007 m. Veterans job counseling, training and placement programs under Chapter 41 of Title 38, United States Code n. Migrant and Seasonal Farmworkers o. National Farmworker Jobs Program p. Job Corps career and technical education for youth q. YouthBuild education and job pathways |
| 9. Shared system costs | <p>Additional, non-infrastructure costs, required one-stop partners are required to pay. These shared costs may include the cost of shared services authorized for an individual participant, such as intake and assessment costs, as well as shared costs of local board functions.</p> |

| TERM | DEFINITION |
|--|--|
| 10. State infrastructure funding mechanism | <p>The formula the WDC uses to determine each required partner's proportionate share of comprehensive one-stop center infrastructure costs. This formula is:</p> <p>A = Total infrastructure cost</p> <p>B = Total square footage of the One-Stop center minus the common areas</p> <p>C = Cost per square foot = A/B</p> <p>D = Square footage occupied by each partner, including space for technology; (required partners must commit to space,</p> <p>E = Required partner's proportionate share = (C) (D)</p> |

APPENDIX II
SAMPLE TIMELINE FOR MOU AND INFRASTRUCTURE NEGOTIATIONS

| TIMEFRAME | ACTIVITY |
|---|--|
| January 1, 2017 | Initiation of local negotiations of memoranda of understandings (MOUs) and infrastructure cost sharing agreements |
| February 28 of each year | Local boards provide draft budgets to the WDC. |
| March 31, 2017 and by March 31 of each subsequent year in which a local area renegotiates its MOU. (MOUs must be renegotiated at a minimum once every 3 years.) | Local MOU negotiations end. However, LWDBs may include an interim infrastructure funding agreement in the MOU if all other parts of the MOU have been negotiated (§ 678.715(c)). The interim infrastructure agreement must be finalized within six months of the date the MOU is signed. Local board chairs and chief elected officials report outcomes from local MOU negotiations to the Executive Director of the WDC with a copy sent to each required partner in a format similar to the letter provided in Appendix IX. |
| APRIL 15 each year | For LWDA's not reaching agreement on infrastructure costs, a 30-day remediation period begins. |
| May 15, 2016 and by May 15 of each subsequent year in which a local area renegotiates its MOU (minimum of once 3 years). | LWDA's unable to reach agreement on MOUs for reasons other than infrastructure costs are referred to the U.S. Secretary of Labor and head of any other relevant Federal agency LWIA's at an impasse about infrastructure costs are referred to the Chair of the WDC; the WDC will make the final determination about each required partner's proportionate share of infrastructure costs under the State funding mechanism. LWDA have 21 days from the date of the determination to appeal. |
| July 1 on every year an MOU is negotiated. | A signed MOU must be submitted to the Executive Director of WDC. |

**APPENDIX III
WIOA SERVICE MATRIX – CAREER SERVICES**

-Onsite staff means staff available at all times during regular business hours

-Technology means technology that meets the "direct linkage" requirements of WIOA

-Career services provided by Wagner-Peyser staff, "All of the Basic Career Services must be made available by WP staff in coordination with other one-stop center partners." Career Services 1 through 11 on the WIOA Service Matrix – Career Services are Basic Career Services (TEGL 3-15: Section 5)

| CAREER SERVICE | STATE REQUIRED PARTNERS AND METHOD(S) OF SERVICE DELIVERY (HUD Employment and Training, Job Corps and YouthBuild are required but are not included in this table as they only apply in some local areas.) | | | | | | | | | |
|---|--|----------------------------------|-----------------------------|---|------------|---|-----------------------------|-----------------------------|---|-----------------------------|
| | Community Service Block Grant | SNAP | DVR | Adult Ed and Family Literacy | Perkins | SCSEP | Title IB | Wagner Peyser, UI, TAA | National Farmworker Jobs Program | Second Chance |
| 1. Eligibility for Title I-B participants | | | | | | | Onsite staff | | Onsite staff and technology (i.e., Skype and phone) | |
| 2. Outreach, intake and orientation | Technology | Onsite contract service provider | Onsite staff and technology | Onsite adult education service provider staff | Technology | Onsite SCSEP subrecipient staff or national contractor staff and technology | Onsite staff and technology | Onsite staff and technology | Onsite staff and technology (i.e., Skype and phone) | Onsite staff and technology |
| 3. Skills and supportive service needs assessment | | Onsite contract service provider | Onsite staff | Onsite adult education service provider staff | Technology | Onsite SCSEP subrecipient staff or national contractor staff and technology | Onsite staff and technology | | Onsite staff and technology (i.e., Skype and phone) | Onsite staff and technology |
| 4. Labor exchange services | | | | | Technology | | Onsite staff and technology | Onsite staff and technology | Onsite staff and technology (i.e., Skype and phone) | Onsite staff and technology |
| 5. Program coordination and referral | Technology | | Onsite staff and technology | Onsite adult education service provider staff | | Onsite SCSEP subrecipient staff or national contractor staff and technology | Onsite staff and technology | Onsite staff and technology | Onsite staff and technology (i.e., Skype and phone) | Onsite staff and technology |
| 6. Labor market information | | | Onsite staff and technology | | | | | Onsite staff and technology | Onsite staff and technology (i.e., Skype and phone) | |
| 7. Training provider performance and cost information | | | Onsite staff and technology | Onsite adult education service provider staff | Technology | | Onsite staff and technology | | Onsite staff and technology (i.e., Skype and phone) | Onsite staff and technology |

| | STATE REQUIRED PARTNERS AND METHOD(S) OF SERVICE DELIVERY (HUD Employment and Training, Job Corps and YouthBuild are required but are not included in this table as they only apply in some local areas.) | | | | | | | | | |
|---|--|----------------------------------|-----------------------------|---|------------|-------|-----------------------------|-----------------------------|---|-----------------------------|
| CAREER SERVICE | Community Service Block Grant | SNAP | DVR | Adult Ed and Family Literacy | Perkins | SCSEP | Title IB | Wagner Peyser, UI, TAA | National Farmworker Jobs Program | Second Chance |
| 8. Performance information for the local area as a whole | | | Onsite staff and technology | Onsite adult education service provider staff | Technology | | Onsite staff and technology | Onsite staff | Onsite staff and technology (i.e., Skype and phone) | Onsite staff and technology |
| 9. Information about the availability of supportive services and referral to these services | Technology | Onsite contract service provider | Onsite staff and technology | Onsite adult education service provider staff | Technology | | Onsite staff and technology | Onsite staff and technology | Onsite staff and technology (i.e., Skype and phone) | Onsite staff and technology |
| 10. Information and assistance with UI claims | | | | | | | | Onsite staff and technology | Onsite staff and technology (i.e., Skype and phone) | |
| 11. Assistance establishing eligibility for financial aid | | | Onsite staff and technology | | Technology | | Onsite staff and technology | | Onsite staff and technology (i.e., Skype and phone) | Onsite staff and technology |
| 12. Employment retention services | | Onsite contract service provider | Onsite staff and technology | | Technology | | Onsite staff and technology | Onsite staff and technology | Onsite staff and technology (i.e., Skype and phone) | Onsite staff and technology |
| 13. Follow-up services for Title I-B participants | | | | | | | Onsite staff and technology | | Onsite staff and technology (i.e., Skype and phone) | Onsite staff and technology |

APPENDIX IV

WIOA SERVICES MATRIX OF STATE-LEVEL REQUIRED PARTNER

PROGRAM AND ACTIVITIES (In most cases, services are restricted to individuals eligible for and/or in need of service under each program. The service delivery method may also depend on local agreements or arrangements), other than career services accessed at comprehensive one-stop centers.

| <p align="center">SERVICES ACCESSED THROUGH ONSITE STAFF</p> | <p align="center">SERVICES ACCESSED THROUGH TECHNOLOGY (Meeting the "Direct Linkage" requirement)</p> |
|---|--|
| <p align="center">Title IB</p> <ul style="list-style-type: none"> • Analysis and use of labor market data to support local economic development • Business services – interaction with business and economic development representatives • Analysis and use of labor market data to support local economic development – interaction with business and economic development representatives • Case management and local delivery of TAA services | <p align="center">TAA</p> <ol style="list-style-type: none"> 1. State Merit Staff approval of training, waiver issuance, out of area job search and out of area relocation |
| <p align="center">Wagner-Peyser</p> <ul style="list-style-type: none"> • Labor exchange – job search and posting • Apprenticeship program • Re-entry employment services | <p align="center">Wagner-Peyser</p> <ul style="list-style-type: none"> • Labor exchange – job search and posting • Apprenticeship program • Re-entry employment services |
| <p align="center">Other Programs</p> <ul style="list-style-type: none"> • Veterans' assistance – job preparation, employer outreach • Migrant seasonal farmworkers • Unemployment insurance • Trade Readjustment Assistance determination and benefits | <p align="center">Other Programs</p> <ul style="list-style-type: none"> • Veterans' assistance – job preparation, employer outreach • Migrant seasonal farmworkers • Trade Readjustment Assistance determinations and benefits • A/RTAA eligibility determinations and benefits • Unemployment Insurance |
| <p>DHS – Division of Vocational Rehabilitation</p> <ul style="list-style-type: none"> • Overview and orientation to vocational rehabilitation services • Evaluation and assessment of eligibility for vocational rehabilitation services • Vocational rehabilitation guidance and counseling • Development of individualized plan for employment, including job placement, vocational training or post-secondary education services | <p>DHS – Division of Vocational Rehabilitation</p> <ul style="list-style-type: none"> • Overview and orientation to vocational rehabilitation services • Evaluation and assessment of eligibility for vocational rehabilitation services • Vocational rehabilitation guidance and counseling • Development of individualized plan for employment, including job placement, vocational training or post-secondary education services |
| <p align="center">Adult Education and Literacy (Provided by onsite adult education service provider staff where space allows and by any combination of adult education providers in the LWDA.)</p> <ul style="list-style-type: none"> • Assessment • Student support services | <p align="center">Adult Education and Literacy Online instruction – must meet minimum criteria</p> |

| SERVICES ACCESSED THROUGH ONSITE STAFF | SERVICES ACCESSED THROUGH TECHNOLOGY (Meeting the "Direct Linkage" requirement) |
|--|--|
| <p style="text-align: center;">Senior Community Service Employment Program</p> <ul style="list-style-type: none"> • Outreach activities • Professional development • Recruitment • Financial assistance • Benefits screening | <p style="text-align: center;">Community Services Block Grant (CSBG)</p> <ul style="list-style-type: none"> • Employment and training services • Employment support services (e.g., uniforms, protective gear, tools) • Linkages – referrals to other programs |
| <p style="text-align: center;">TANF (20 CFR 678.430)</p> <p>“the States must provide individuals with the opportunity to initiate an application for assistance and non-assistance benefits and services...” and agencies must identify employment services and related support being provided by TANF program (within the local area) that qualify as career services and ensure access to them via the local one-stop delivery system.”</p> | <p style="text-align: center;">Post-Secondary Perkins</p> <ul style="list-style-type: none"> • Academic counseling and career advising • Resume writing / interview skills |

APPENDIX V
SUMMARY COMPARISON OF INFRASTRUCTURE FUNDING REQUIREMENTS
UNDER THE LOCAL AND STATE FUNDING MECHANISMS

| Requirement or Characteristic | Local Funding Mechanism | State Funding Mechanism |
|---|---|--|
| Partner contributions to infrastructure costs | Required | Required |
| Partner compliance with its own governing laws and regulations | Required | Required |
| Partner compliance with "Uniform Standards" circular | Required | Required |
| Partner contributions based on proportionate use | Required | Required |
| Partner contributions determined by Governor | No | Yes |
| Cash contributions from required partners | Allowed | Required |
| In-kind contributions from required partners | Allowed | Not Allowed |
| Limitation or cap on partners contributions | Only as imposed by the statutory and regulatory requirements of each required program | New WIOA defined caps |
| Title IB | | 3% of program and administration funds |
| Wagner-Peyser | | 3% of administration funds |
| SCSCEP | | 1.5% of program and administration funds |
| Perkins Career and Technical Education, and Adult Education and Family Literacy | | 1.5% of funds for State administration |
| Vocational rehabilitation | | 1.5% phased in over 5 years |
| Trade Act of 1974 | | 1.5% of funds for administration |
| Title IV of Social Security Act (TANF) | | |
| Senior Community Services Employment Program (SCSEP) | | |
| Community Services Block Grant | | |

| | | |
|--|---|---|
| Housing and Urban Development employment and training Veterans job counseling, training and placement Migrant and Seasonal Farmworkers National Farmworker Jobs Program Jobs Corps for youth YouthBuild | | |
| Source of funds for partner contributions | As allowed under each required partner's program | Either administration or program funds Title IB and SCSCEP Funds for State administration, non- Federal matching or maintenance of effort funds or funds for local administration Perkins Career and Technical Education Adult Education and Family Literacy Funds for administration -- All other programs |
| Philanthropic and private fund use | Allowed | Not allowed |
| Interim agreement for up to six months pending final negotiations | Allowed | Not allowed |
| Appeal process available to partners | No | Yes |
| Certification required to fund one-stop center infrastructure costs | No | Yes |

Appendix VI
INFRASTRUCTURE COST LINE ITEMS AND DEFINITIONS

| COST CATEGORY/LINE ITEM | LINE ITEM DEFINITION |
|---|---|
| Facilities Costs | |
| Lease cost | Annual amount due for comprehensive center space costs pursuant to a lease or other contractual arrangement. |
| Facility maintenance | Annual costs for upkeep and maintenance of leased space, including grounds keeping, trash and shredding, if not already included as part of the lease. |
| Property and casualty insurance | Annual cost of property and general liability insurance for the space, if not already included in the lease. |
| Security services | The cost of third party contractors and/or camera-based surveillance, if not already included in the lease. |
| Cleaning services | Cost of janitorial services, if not already included in the lease. |
| Utilities | Electricity, water, gas and other utility costs associated with the comprehensive center space, if not included in the lease cost. |
| Technology Costs | |
| Telecommunications, including Internet | Cost of phone and internet connectivity in the resource room and other shared spaces in the comprehensive center. |
| Equipment and technology costs | Costs of shared computers, printers, fax machines, copiers, postage machines utilized for the operation of the comprehensive center and related maintenance and supply costs. |
| Assistive technology for individual with disabilities | Cost of assistive technology enabling individuals with disabilities to utilize the resource room or other services provided at the comprehensive one-stop center. |
| Marketing Costs Related to Common Identifier | |
| Signage | One-time costs associated with new exterior and interior signage displaying the "common identifier" |
| Other "common identifier" costs | Printed materials, costs of website changes, business cards and similar costs incurred to implement the "common identifier." |

Appendix VII
SELECTED LIST OF POSSIBLE LOCAL ONE-STOP SYSTEM SHARED COSTS

| COST TYPE | EXAMPLES OF POSSIBLE SHARED SYSTEM COSTS |
|--|--|
| Mandatory | |
| Costs to promote integration and streamlining of services | Joint staff training, including staff of comprehensive one-stop centers Customer satisfaction measurement Business services Receptionist at comprehensive one-stop center Resource room materials and staffing costs at comprehensive one-stop centers or affiliated sites |
| Optional | |
| Shared services costs authorized for one-stop partner programs | 1. Any allowable cost item (e.g., initial intake or needs assessments) agreed upon by local required partners |

**APPENDIX VIII
STANDARD BUDGET FORMAT FOR SHARED COSTS**

| SHARED COST CATEGORY | TOTAL ANNUAL BUDGET | ANNUAL BUDGET ALLOCATION TO PARTNERS | | | | | | | |
|---|---------------------|--------------------------------------|-----------------|-----------------|------------------|---------|-------|---------------|---------------|
| | | Title IB | Wagner - Peyser | Adult Education | Vocational Rehab | Perkins | SCSEP | Other Partner | Other Partner |
| Part 1: Comprehensive One-Stop Center Infrastructure Costs | | | | | | | | | |
| Facilities Costs | | | | | | | | | |
| Lease cost | | | | | | | | | |
| Facility maintenance | | | | | | | | | |
| Property and casualty insurance | | | | | | | | | |
| Security services | | | | | | | | | |
| Cleaning services | | | | | | | | | |
| Utilities | | | | | | | | | |
| Technology Costs | | | | | | | | | |
| Telecommunications and Internet | | | | | | | | | |
| Equipment and technology costs | | | | | | | | | |
| Assistive technology | | | | | | | | | |
| Common Identifier Marketing Costs | | | | | | | | | |
| Signage | | | | | | | | | |
| Other "common identifier" costs | | | | | | | | | |
| Other Infrastructure Costs | | | | | | | | | |
| Other Cost Description | | | | | | | | | |
| Other Cost Description | | | | | | | | | |
| Other Cost Description | | | | | | | | | |
| Total Infrastructure Costs | | | | | | | | | |

Note:

Cash contributions in black font.

In-kind in blue font.

| SHARED COST CATEGORY | | ANNUAL BUDGET ALLOCATION TO PARTNERS | | | | | | | |
|---|---------------------------|--------------------------------------|--------------------|--------------------|---------------------|---------|-------|------------------|------------------|
| Part 2: Local One-Stop Delivery System Costs | TOTAL ANNUAL BUDGET | Title IB | Wagner - Peysen | Adult Education | Vocational Rehab | Perkins | SCSEP | Other Partner | Other Partner |
| | | Costs associated with marketing | | | | | | | |
| Costs of strategic data gathering | | | | | | | | | |
| Other Cost Description | | | | | | | | | |
| Other Cost Description | | | | | | | | | |
| Costs to Promote Service Integration | | | | | | | | | |
| Joint staff training | | | | | | | | | |
| Customer satisfaction measurement | | | | | | | | | |
| Business services | | | | | | | | | |
| One-stop center reception | | | | | | | | | |
| Resource room materials and staffing | | | | | | | | | |
| Other Cost Description | | | | | | | | | |
| Other Cost Description | | | | | | | | | |
| Total, One-Stop Delivery System Costs | | | | | | | | | |
| Shared Costs Summary | | | | | | | | | |
| Shared One-Stop Infrastructure Costs | | | | | | | | | |
| Shared One-Stop Delivery System Costs | | | | | | | | | |
| Total: All Shared Costs | | | | | | | | | |

**APPENDIX IX
REPORT OF OUTCOMES FROM LOCAL MOU NEGOTIATIONS**

Local Workforce Development Area:

Notice is provided to the Governor as required by 20 CFR 678.725 that the local partners in this local area have reached consensus on a Memorandum of Understanding (MOU), including how comprehensive one-stop center infrastructure costs will be funded for the year beginning July 1, . A copy of the budget on which agreement was reached is attached to this notice.

OR

Notice is provided to the Governor as required by 20 CFR 678.725 that, despite every effort, the local partners in this local area did not reach consensus on a local Memorandum of Understanding for the period beginning July 1, _____.

A. Failure to agree for reasons other than infrastructure costs

Listed below are the program partners that did not agree and the main reasons for their inability to agree.

| Program Partner Name | Reasons |
|----------------------|---------|
| 1. | |
| 2. | |

B. Failure to agree on one-stop center infrastructure costs

The inability to reach agreement was because one or more partners do not agree with how comprehensive one-stop center infrastructure costs will be funded for the year beginning July 1, __. Listed below are the program partners who did not agree to the budget for comprehensive one-stop center infrastructure costs. A copy of the budget on which agreement was not reached is attached to this notice.

| Program Partner Name | Reasons |
|----------------------|---------|
| 1. | |
| 2. | |

Signatures:

Chair Local Workforce Development Board

Chief Elected Official

Date: _____

Date: _____

References:

- WIOA §678.400
- WIOA §678.700(c)
- WIOA §678.705
- p. 55880 Federal Register, Vol. 81, No. 161, 8/19/16, Rules and Regulations
- WIOA sec. 121(b)(1)(B)
- 20 CFR 678.400
- Wagner-Peyser Act:
 - 29 U.S.C. 49 et seq.
 - 29 U.S.C.720 et seq.
 - 29 U.S.C. 732, 741
- Older Americans Act of 1965, 42 U.S.C. 3056 et seq.
- Carl D. Perkins Career and Technical Education Act of 2006, 20 U.S.C. 2301 et seq.
- Title II of the Trade Act of 1974, 19 U.S.C. 2271 et seq.
- Title 38, United States Code
- Community Services Block Grant Act, 42 U.S.C. 9901 et seq.
- Second Chance Act of 2007, 42 U.S.C. 17532
- Social Security Act, 42 U.S.C. 601 et seq.
- WIOA sec. 121 (b)(2)(B)
- 20 CFR 678.410
- Social Security Act, 42 U.S.C. 1320b-19
- Section 6(d)(4) of the Food and Nutrition Act of 2008, 7 U.S.C. 2015(d)(4)
- Section 6(o) of the Food and Nutrition Act 2008, 7 U.S.C. 2015(o)
- Rehabilitation Act of 1973, 29 U.S.C 732
- National and Community Service Act of 1990, 42 U.S.C. 12501 et seq.
- WIOA Sec. 121 (c)(2)
- 20 CFR Part 678, Subpart C; 34 CFR 361.500-361.550; 34 CFR 463.500-463.510
- 20 CFR 678.310, 678.315, and 678.320
- 20 CFR 678.620, 678.625 and 678.630
- 20 CFR 678.710
- 20 CFR 678.735(a)
- 20 CFR 678.735(c)

Appendix E: Cost Allocation and Partner Contributions

| AMERICAN JOB CENTER SPACES |
|-------------------------------|
| Front Reception Area |
| Business Action Center (DCCA) |
| Program Office |
| Workshop & Conference Room |
| Manager's Office |
| Storage Room |
| Bathroom |
| Counseling Room |

| DIMENSIONS | SQ. FT. | USAGE |
|------------|---------|--------------|
| 31x15 | 465 | Shared (AJC) |
| 9x15 | 135 | DCCA |
| 9x15 | 135 | Adult/DW/WP |
| 32x16 | 512 | Shared (AJC) |
| 10x12 | 120 | Shared (AJC) |
| 9x3.75 | 33.75 | Shared (AJC) |
| 8x9 | 72 | Shared (AJC) |
| 9x7 | 63 | Shared (AJC) |

| SQ. FOOTAGE BREAKDOWN | SQ. FT. | % |
|------------------------------|----------|---------|
| DEDICATED PROGRAM SQ FOOTAGE | 270.00 | 17.58% |
| SHARED BY PARTNERS | 1,265.75 | 82.42% |
| TOTAL SQUARE FOOTAGE | 1,535.75 | 100.00% |

| ONE-STOP BUDGET TOTALS | \$ |
|------------------------|------------|
| NON-PERSONNEL COSTS | \$ 77,861 |
| PERSONNEL COSTS | \$ 241,395 |

| SQUARE FOOTAGE ALLOCATION |
|---------------------------------------|
| Contributing Partners |
| WIOA Adult |
| WIOA DW |
| WIOA Youth |
| NFJP |
| Native American |
| DCCA* |
| Wagner Peyser Act Employment Services |
| SCSEP |
| TAA Program |
| Unemployment Compensation Ins. |
| JVSG programs |
| AEFLA, WIOA Title II |
| DVR, WIOA Title IV |
| CTE at postsecondary level (Perkins) |
| Job Corps |
| CSBG - employment & training services |
| COM - Business Resource Center |
| TANF |
| TOTALS |

| Dedicated Program Square Footage | Shared Square footage utilized by multiple programs | | Total Square Feet (Dedicated & Shared) |
|----------------------------------|---|---|--|
| | % of Shared Space Assigned | Total Sq. Feet of Shared Space Assigned | |
| 34 | 11.50% | 145,561.25 | 179,561.25 |
| 34 | 11.50% | 145,561.25 | 179,561.25 |
| 0 | 6.50% | 82,273.75 | 82,273.75 |
| 0 | 2.00% | 25,315 | 25,315 |
| 0 | 0.00% | 0 | 0 |
| 135 | 8.00% | 101.26 | 236.26 |
| 67 | 11.50% | 145,561.25 | 212,561.25 |
| 0 | 2.00% | 25,315 | 25,315 |
| 0 | 2.00% | 25,315 | 25,315 |
| 0 | 2.00% | 25,315 | 25,315 |
| 0 | 2.00% | 25,315 | 25,315 |
| 0 | 2.00% | 25,315 | 25,315 |
| 0 | 2.00% | 25,315 | 25,315 |
| 0 | 2.00% | 25,315 | 25,315 |
| 0 | 2.00% | 25,315 | 25,315 |
| 0 | 2.00% | 25,315 | 25,315 |
| 0 | 2.00% | 25,315 | 25,315 |
| 0 | 28.00% | 354.41 | 354.41 |
| 0 | 2.00% | 25,315 | 25,315 |
| 270 | 100.00% | 1265.75 | 1535.75 |

| Partner Contributions | | | |
|-----------------------------|-------------------------|-------------------|---------------------------|
| Non-Personnel Cost Assigned | Personnel Cost Assigned | Annual Cost Total | % of Total Cost (rounded) |
| 9,102 | - | 9,102 | 2.8510% |
| 9,102 | - | 9,102 | 2.8510% |
| 4,173 | - | 4,173 | 1.3071% |
| 1,285 | - | 1,285 | 0.4025% |
| - | - | - | 0.0000% |
| 11,975 | - | 11,975 | 3.7509% |
| 10,776 | - | 10,776 | 3.3753% |
| 1,285 | - | 1,285 | 0.4025% |
| 1,285 | - | 1,285 | 0.4025% |
| 1,285 | - | 1,285 | 0.4025% |
| 1,285 | - | 1,285 | 0.4025% |
| 1,285 | - | 1,285 | 0.4025% |
| 1,285 | - | 1,285 | 0.4025% |
| 1,285 | - | 1,285 | 0.4025% |
| 1,285 | - | 1,285 | 0.4025% |
| 17,960 | 241,395 | 259,355 | 81.2373% |
| 1,285 | - | 1,285 | 0.4025% |
| 77,861 | 241,395 | 319,256 | |

*DCCA is not a signatory partner of the AJC MOU. The amount listed as their contribution reflects the approximate amount DCCA contributes towards co-location in a separate arrangement with the County of Maui.