

One-Stop Memorandum of Understanding

The contents of this paper are intended to help inform the development of policies and guidance by the State Workforce Board, Employment Security Department, and Governor Inslee pertaining to the One-Stop Memorandum of Understanding as required under WIOA Section 121. We have endeavored to reconcile the relevant sections of the Workforce Innovation and Opportunity Act and the Notice(s) of Proposed Rulemaking issued by the Departments of Labor and Education to produce this guidance.

The members of the One-Stop Task Force represent the diverse stakeholders of the state's workforce system. Each has a strong interest in building a one-stop delivery system that effectively serves their specific customer base. These include the four titles of WIOA:

- Title I – Adult, Dislocated Worker, and Youth – Workforce Development Councils
- Title II – Adult Basic Education and Family Literacy – State Board for Community and Technical Colleges
- Title III – Wagner-Peyser – Employment Security Department
- Title IV – Vocational Rehabilitation – Division of Vocational Rehabilitation

Also central to the development of this document and our dialogue has been the participation of the Department of Social and Health Services, Division of Services for the Blind, private sector, organized labor, Renton Technical College, Lake Washington Institute of Technology, Lower Columbia College, and Aging and Long Term Care/Title V-SCSEP. Each of the perspectives and voices of the individual task force members has been instrumental in contributing to the development of this guidance document. The consensus reached by this group and embodied in these concepts demonstrates broad buy-in from constituencies across our workforce system.

Authorizing Legislation - Summary

The purpose of the Memorandum of Understanding (MOU) is to define the roles and responsibilities of each partner as mutually agreed by the parties for the operation of the one-stop delivery system in Washington state as required under the Workforce Innovation and Opportunity Act.

WIOA Section 121(c) requires that each Local Workforce Development Board (LWDB), with the agreement of the Area's Chief Elected Official (CEO), develop and enter into a memorandum of understanding between the local board and the one-stop partners, with all the entities that serve as partners in the one-stop service delivery system that operates in each LWDB's local area.

WIOA Section 121(b)(1)(A)(iii) mandates all entities that are required partners in a local area to enter into a memorandum of understanding with the LWDB in the respective area pursuant to WIOA Section 121(c).

WIOA Section 121(b)(1) identifies the federal programs and requires that the services and activities under each of those programs must be made available through each local area's one-stop delivery system. The entities that receive the federal funds for each of these programs and/or have the responsibility to administer the respective programs in the local area are required partners under WIOA Section 121(b)(1).

WIOA Section 121(b)(2) prescribes how entities that provide programs other than those required under WIOA Section 121(b)(1)(B) may participate in a local area's one-stop delivery system as "additional partners" and provide the services available under their programs through the one-stop delivery system.

Per WIOA Section 121(b)(2)(A), both required and additional partners are included as parties to the MOU. Therefore, all entities that participate in an area's one-stop delivery system as one-stop partners,

whether required or additional, must be parties to the MOU and must abide by the terms prescribed and by applicable federal, state, and local rules, plans, and policies as applicable and authorized under the partner's program and in keeping with federal guidelines.

WIOA Section 121(b)(1)(A)(iv) indicates that the requirements of each partner's authorizing legislation continue to apply under the one-stop system and that participation in the one-stop delivery system is in addition to other requirements applicable to each partner's program under each authorizing law.

WIOA Section 121(b)(1)(A)(ii) requires that one-stop partners must use a portion of the program and activity funds to maintain the one-delivery system, including payment of the infrastructure costs of one-stop centers.

WIOA SECTION 121

(c) MEMORANDUM OF UNDERSTANDING.—

(1) DEVELOPMENT.—The local board, with the agreement of the chief elected official, shall develop and enter into a memorandum of understanding (between the local board and the one-stop partners), consistent with paragraph (2), concerning the operation of the one-stop delivery system in the local area.

(2) CONTENTS.—Each memorandum of understanding shall contain—

(A) provisions describing—

(i) the **services** to be provided through the one-stop delivery system consistent with the requirements of this section, including the manner in which the services will be coordinated and delivered through such system;

(ii) how the **costs** of such services and the operating costs of such system will be funded, including—

(I) funding through cash and in-kind contributions (fairly evaluated), which contributions 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 one-stop centers** in accordance with subsection (h);

(iii) **methods of referral** of individuals between the one-stop operator and the one-stop partners for appropriate services and activities;

(iv) **methods 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; and

(v) the **duration of the memorandum of understanding** and the **procedures for amending the memorandum** during the duration of the memorandum, and **assurances** that such memorandum shall be reviewed not less than once every 3-year period to ensure appropriate funding and delivery of services; and

(B) such other provisions, consistent with the requirements of this title, as the parties to the agreement determine to be appropriate.

One-Stop System - Framework

The nation's One-Stop System, as envisioned under the Workforce Innovation and Opportunity Act, plays a vital role in connecting businesses to talent and individuals to skill development and employment opportunities. Local boards work in concert with partners from business, labor, government, education, and economic development to build pathways to self-sufficiency and provide customers with career services and array of resources necessary to achieve success and support community advancement and prosperity.

- I. In each local area, one-stop systems are comprised of a **network of physical sites** that serve as portals where business and job seeker customers can engage directly with partners in order to access services and obtain the resources they need to reach their career and talent acquisition objectives.

The local one-stop system infrastructure varies by area across the state of Washington, and the significant differences between rural and urban areas are reflected in a diverse mix of one-stop site locations and partners found in communities across the state. In Washington, we have three recognized levels of one-stop centers – Comprehensive, Affiliated, and Connection Sites. Under the law, each of the 12 local areas must have at least one comprehensive physical center that offers career and training services, access to employment and training activities, access to programs and activities carried out by one-stop partners, and access to labor exchange services. Whether to operate additional comprehensive centers or include affiliated or connection sites is a local board decision that is made based upon customer needs, resource availability, and local partner organizations' willingness to participate.

- II. **Technology** is also a fundamental component to the one-stop system that allows customers to access services virtually from any location and to interface with system partners using technological means in order to overcome barriers that include geography, differing abilities, and time. Bricks and mortar facilities are complemented by a sophisticated MIS platform that helps manage customer information and services among all partners and an array of available technological tools used by businesses and job seeker customers. Together, facilities and technologies comprise two key components of the one-stop delivery system infrastructure.
- III. The third essential component is the range of **career services** and **business services** that partners provide in support of our many shared customers.

Per WIOA, each one-stop partner shall provide access to their programs or activities, including making available applicable career services, *at the one-stop centers* or other appropriate locations. The result of bringing partners together in a single location to jointly administer programs is a blending and braiding of program expertise and resources and more effective leveraging of the system's existing resource to achieve outcomes for businesses and job seekers.

The vision of WIOA as realized through an integrated approach to service delivery supports a model in which services that benefit multiple populations are commonly provided by one-stop partners and jointly funded through the MOU and/or Resource Sharing Agreements.

State Level MOU

The One-Stop Task Force strongly recommends the development of a **State-level MOU** – an agreement among the four state agencies representing Titles II, III, IV and TANF - that clearly defines the parameters of the respective resource commitments for each agency. These will provide a consistent basis for local representatives and WDCs to negotiate MOUs and Resource Sharing Agreements (RSAs) in their individual one-stop systems. Elements of the state-level MOU will include:

- a description of the state of Washington’s one-stop system that represents the shared vision, values, and principles of collaboration between the state agencies and local partners
- a comprehensive list of the agreed-upon shared services and costs of operating the local one-stop system
- the types of funds that each partner may use to fund infrastructure costs in accordance with relevant authorizing statutes and regulations, including in-kind contributions
- the methodology for calculating proportionate use or benefit to each partner program, and
- a timeframe for re-calculating proportional use by each partner program – on at least an annual basis – and adjusting the amount of infrastructure funding accordingly

Local MOU – Between the Local Board and One-Stop Partners

The One-Stop Task Force recommends that local boards and their one-stop partners have the maximum flexibility to negotiate their MOUs to best serve the needs of each workforce development area and their customers. To this end, both “umbrella” agreements that encompass all one-stop partners as well as *Individual Partnership Agreements* that are crafted between each partner should be allowed based upon local board determination.

The MOU must contain the following information:

- (a) The ***period of time in which this infrastructure funding agreement*** is effective. This may be a different time period than the duration of the MOU.
- (b) ***Identification of an infrastructure and shared services budget*** that will be periodically reconciled against actual costs incurred and adjusted accordingly to ensure that it reflects a cost allocation methodology that demonstrates how infrastructure costs are charged to each partner in proportion to relative benefits received, and that complies with chapter II of title 2 of the Code of Federal Regulations (or any corresponding similar regulation or ruling).
- (c) ***Identification of all one-stop partners***, chief elected officials, and Local Board participating in the infrastructure funding arrangement.
- (d) ***Steps the Local Board, chief elected officials, and one-stop partners used to reach consensus*** or an assurance that the local area followed the guidance for the State one-stop infrastructure funding process.
- (e) ***Description of the process to be used between partners to resolve issues*** during the MOU duration period when consensus cannot be reached.
- (f) ***Description of the periodic modification and review process to ensure equitable benefit*** among one-stop partners.

Five Components of the MOU between the Local Board and One-Stop Partners

1. *“The **services** to be provided through the one-stop delivery system, including the manner in which the services will be coordinated and delivered through such system.”*

All services and processes are integrated with co-enrollment to benefit customers occurring wherever applicable; delivered in-house; and are transparent/seamless to customer. These shared services are common to all core partner programs in the one-stop and include:

- **Intake** – Application/Sign-in/Registration
- **Triage** – “Initial” assessment, Eligibility Determination
- **Connection** to appropriate Customer-centered/Customer-driven portfolio of Services/Resources
 - Including: Wagner-Peyser Labor Exchange, Workshop, Adult Basic Education, TANF, Vocational Rehabilitation, Adult/Dislocated Worker, Youth, Veterans, Unemployment Insurance, Career and Technical Education,
 - Assessment/Testing – CASAS, TABE, Compass, ASSET, WorkKeys, etc.
- **Business Engagement** – to develop relationships to learn and resolve human capital needs –
 - Articulate available services, e.g., work-based Learning, On-the-Job Training, placement, succession planning, clinical sites, internships

2. **Costs** – *of services and operating costs of system are to be funded, including infrastructure costs of one-stop centers.*

State core partners and additional partners recognize that the one stop delivery system is intended to function as a system where all customers can access value-added services and connect to resources necessary for their career success. The costs of operating this system include non-personnel costs such as facilities and technology as well as the costs of the staff that deliver services directly to business and job seeker customers.

As detailed in WIOA, the goal is to develop a funding mechanism that:

- (1) Maintains the one-stop delivery system to meet the needs of the local areas;
- (2) Reduces duplication by improving program effectiveness through the sharing of services, resources and technologies among partners;
- (3) Reduces overhead by streamlining and sharing financial, procurement, and facilities costs;
- (4) Encourages efficient use of information technology to include where possible the use of machine readable forms and shared management systems; and
- (5) Ensure that costs are appropriately shared by one-stop partners by basing contributions on proportionate share of use, and requiring that all funds are spent solely for allowable purposes in a manner consistent with the applicable authorizing statute and all other applicable legal requirements, including the Federal cost principles.

The MOU must contain a description of the Local Funding Mechanism in which the WDC and partners agree to amounts and methods of calculating amounts each partner will contribute for one-stop infrastructure funding. This funding mechanism will provide a stable and equitable funding stream for ongoing one-stop delivery system operations and be proportionate and equitable to the benefits received by each partner and their respective program or activities.

All core partners shall provide services in the one-stop center but, subject to negotiations with the local Workforce Development Council, may also be allowed to contribute / provide in-kind resources. Core partners shall work together in the one-stop to integrate shared services and leverage each other’s resources to serve the common one-stop system customers.

Resource Sharing Agreements (RSA)

RSAs are used by local areas as the mechanism in which one-stop costs are detailed for each individual one-stop partner and that monthly billing is based upon. RSAs need to be transparent and negotiated among partners on an equitable basis to ensure costs are shared appropriately

All core partners shall negotiate in good faith and seek to establish MOUs and RSAs that are equitable

3. *Methods of Referral of individuals between the one-stop operator and the one stop partners for appropriate services and activities*

Both business and job seeker customers need to access one-stop system services that provide them with the optimum utilization of available partner and community resources and lead to successful outcomes. Staff work to connect customers as quickly as possible to partners through referral processes that are impartial and designed to rapidly and efficiently meet the customer's individual needs. These methods of referral include a coordinated and integrated approach to common intake procedures, career services, business services, and data sharing among system partners.

4. *Methods 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*

Means need to be described by which the diverse customers of the one-stop system are effectively served. Performance measures for individual partner programs and evaluation of these data to inform continuous improvement may be a component of this work. Identification of the use of technologies that support customers' access to services and the availability of career services materials via different media will demonstrate this, as well as linkages/integration of other local partners and their services to support customers' success.

5. *Duration – of the MOU and procedures for amending and review*

The MOU needs to be reviewed not less than once every 3 –year period to ensure appropriate funding and delivery of services.

Four Entities Responsible for Developing and Executing MOU

Governor

- Issue guidance for use by local areas:
 1. Guidelines for state-administered one-stop partner programs for determining their contributions to the one-stop delivery system based upon proportionate use of system, including determining funding for infrastructure costs
 2. Guidance to aid in determining equitable and stable methods of funding the infrastructure costs at one-stop centers based on proportionate benefits received
 - a. Include roles of one-stop partner programs in identifying one-stop infrastructure costs
 - b. Approaches to facilitate equitable and efficient cost allocation

- c. Timelines regarding notification to the Governor for not reaching local agreement and triggering the State-funded infrastructure mechanism and timeline for appeal

State Board

- Provide guidance and consultation to Governor on one-stop infrastructure funding mechanisms, contribution levels, and portions for State-administered one-stop partner programs
- develop a formula to be used by the Governor to allocate the funds provided to local areas not funding costs of infrastructure under the option (described in paragraph (1)(A)(i)(I)). The formula shall be based on factors including the number of one-stop centers in a local area, the population served by such centers, the services provided by such centers, and other factors relating to the performance of such centers that the State board determines are appropriate.
- The State board shall provide guidance to facilitate the determination, for purposes of the memorandum of understanding, of an appropriate allocation of the funds and noncash resources in local areas, consistent with the requirements of section 101(d)(6)(C).

Local Boards and Chief Elected Officials

- Ensure one-stop partners adhere to the guidelines established by the Governor for determining contributions to one-stop infrastructure costs
- Work with partners to achieve consensus and informally mediate disagreements
- Provide technical assistance to new one-stop partners and local grant recipients to ensure they are aware of elements in MOU and one-stop infrastructure costs arrangement

One-Stop Partners

- Negotiate in good-faith to reach agreement on the MOU and accompanying RSA
- Provide access through the one-stop delivery system to such program or activities carried out by the entity, including making the career services described in section 134(c)(2) that are applicable to the program or activities available at the one-stop centers (in addition to any other appropriate locations);
- Use a portion of the funds available for the program and activities to maintain the one-stop delivery system, including payment of the infrastructure costs of one-stop centers in accordance with subsection (h);
- Enter into a local memorandum of understanding with the local board, relating to the operation of the one-stop system, that meets the requirements of subsection (c);
- Participate in the operation of the one-stop system consistent with the terms of the memorandum of understanding, the requirements of this title, and the requirements of the Federal laws authorizing the program or activities.

One-Stop Delivery System Infrastructure Costs by Item

Facilities/Equipment

- Rent
- Utilities
- Insurance
- Computers (including tablets, laptops, and Wi-Fi), copiers, overhead projectors – purchase/lease, maintenance and replacement
- Maintenance and repair of the physical facilities – centers, affiliates and connection sites
- Staff break room related – water, coffee, microwaves, refrigerators (new and when kitchen appliances break down)
- Signage and identifier costs
- Security personnel and/or systems

IT Costs

- IT personnel/contracted services to develop/support/maintain/host the technology based site
- Cost for data storage, email system maintenance, additional web pages for special events; local/regional intranet
- Software/hardware and licensing subscriptions for resource and meeting rooms
- EO Compliance (ADA equipment – interpreters, assistive technology, etc.)

Basic Career Services

- Intake
- Delivery/interpretation of needs assessments and skills appraisals
- Staffing of resource rooms, including delivery of workshops
- Career and aptitude assessment products
- Referral to other partners

Customer Outreach

- Outreach to customers – may be shared communication and/or community outreach personnel
- Advertising for special events and outreach and marketing strategies (e.g., phone book listing)
- One-stop operator costs including printed and digital collateral costs and support for other system-wide costs such as banners for larger, multi-site events

Business Services

- Business services personnel – focus where the business customer is primary – this is different than job developers whose primary customer is the job seeker. Business Services has a benefit for core and mandatory partners and can help to align a local area's employer engagement strategy.
 - Includes business services personnel and printed collateral costs (brochures, signage) and costs for local hiring events.

Miscellaneous

- Dues, fees, subscriptions, and licenses for professional association memberships, journals, etc.
- One-stop system personnel and other personnel who carry out the professional development, management or coordination needs of the system or center. Examples: reception, center management, local Board staff, One-Stop Operator, Trainers, etc.