



Missouri Division of Workforce Development
DWD Issuance 12-2015

Issued: December 22, 2015
Effective: December 22, 2015

Subject: Memorandum of Understanding Guidelines for Local Workforce Development Boards

- 1. Purpose:** This policy transmits Division of Workforce Development (DWD) guidelines for Local Workforce Development Boards (Local Board) and their partners, as required by the Workforce Innovation and Opportunity Act (WIOA),¹ to deliver programs and services, and to share related costs, in the One-Stop Delivery System by means of a Memorandum of Understanding (MOU).
- 2. Background:** WIOA requires² a Memorandum of Understanding among Local Boards³ and their Required Partners,⁴ with the agreement of the Chief Elected Official⁵ for the Local Area, to coordinate operation of the local One-Stop Delivery System, provide programs and service, and apportion costs.
- 3. Substance:** DWD provides the attached guidelines to assist the MOU-development process, from conception through discussions, negotiations, writing, signing, implementation, and subsequent modification.
- 4. Action:** The following actions are required:

 - Distribute this information to Local Board members, One-Stop Required Partners, CEOs, and appropriate staff.
 - MOUs (including interim or final infrastructure-cost allocation agreements) for each Local Area must be in place by July 1, 2016.
- 5. Contact:** Clinton Flowers—Performance and Research Manager, Missouri Division of Workforce Development, at (573)526-8261, or Clinton.flowers@ded.mo.gov.
- 6. References:**

 - Workforce Innovation and Opportunity Act, Public Law 113-128, [29 U.S.C. 3101 et seq.](#)
 - Workforce Innovation and Opportunity Act; Notice of Proposed Rulemaking, Docket ETA 2015-0001, April 16, 2015 ([80 FR 20689–20966](#)), and Workforce Innovation and Opportunity Act, Joint Rule for Unified and Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions; Notice of Proposed Rulemaking, ETA Docket 2015-0002, April 16, 2015 ([80 FR 20573–20687](#)). The U.S. Departments of Labor (DOL) and Education (ED) will publish Final Rules sometime in

¹ Pub. Law 113-128; 29 U.S.C. 3101 et seq.

² 29 U.S.C. 3151(a)(1).

³ 29 U.S.C. 3122.

⁴ 29 U.S.C. 3151(b)(1).

⁵ 29 U.S.C. 3102(9) and 3122(c)(1)(B).

2016. This Issuance assumes Final Rules shall be as proposed, until DOL publishes future changes or amendments.

7. **Rescissions:** This Issuance/guidance supersedes and replaces Issuance 11-2000, dated June 15, 2001.

8. **Attachments:** (1) “Local Workforce Development Board Guidelines for a Memorandum of Understanding—Creating a Workforce Innovation and Opportunity Act (WIOA) Agreement to Coordinate One-Stop Delivery System Partners”

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Amy Sublett
Director
Missouri Division of Workforce Development



Local Workforce Development Board Guidelines for a Memorandum of Understanding

Creating a Workforce Innovation and Opportunity Act (WIOA) Agreement to Coordinate One-Stop Delivery System Partners

This guidance for Local Board members and staff, Chief Elected Officials, and workforce partners will assist the process of drafting a federally mandated ***Memorandum of Understanding*** for local workforce services.

For the benefit of those responsible parties who are new to this arena, some basic information about the authority and scope of federal/state workforce laws and regulations is included.

The Missouri Division of Workforce Development (DWD) will be ready to assist you with any technical or procedural questions about the actions described in this guidance. Your contact is:

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WIOA Legislative Intent

On July 22, 2014, the **Workforce Innovation and Opportunity Act** (WIOA),¹ the first legislative remodeling of the public workforce system in more than 15 years, became law. WIOA took effect on July 1, 2015. (Some specific provisions will not be in full effect until July 1, 2016.)

WIOA replaces the Workforce Investment Act of 1998 (WIA)² and amends the **Wagner-Peyser Act** and the **Rehabilitation Act of 1973**. WIOA is now the authority for the establishment and operation of the state and national **One-Stop Delivery System**.³ This system shares responsibilities at the national, state, and local levels for programs and services to accomplish six legislative purposes:

- To expand access to employment, education, training, and support services for people with barriers to employment;
- To coordinate workforce investment, education, and economic-development efforts among multiple agencies;
- To enhance the labor-market relevance of workforce investment, education, and economic development, providing workers with skills and credentials and providing employers with a skilled workforce;
- To improve the structure of, and delivery of, services through the workforce-development system;
- To boost the prosperity of workers and employers, the economic growth of communities, regions, and states, and overall U.S. global competitiveness;
- To increase the employment, retention, and earnings of system participants, and to enlarge their attainment of postsecondary credentials, with the aim of improving workforce quality, reducing welfare dependency, increasing economic self-sufficiency, and meeting skill requirements of employers.

¹ Pub. Law 113-128; 29 U.S.C. 3101 et seq.

² Pub. Law 105-220; 29 U.S.C. 2801 et seq.

³ "One-Stop Delivery System" is defined at WIOA Sec. 121(e)(2); 29 U.S.C. 3151(e)(2).

The One-Stop Delivery System

“One-Stop” refers to the concept, created under WIA and continued under its successor, WIOA, that employers and jobseekers should be able to access essential programs and services at one physical location in an area.

Another name for a One-Stop Center is a **Comprehensive** One-Stop Center.⁴ It must have at least one WIOA Title I staff person physically present. The center must provide: career services; access to training services; access to specific employment and training activities; access to specific programs and activities, including Wagner-Peyser Employment Services (ES); and workforce and labor-market information. Customers must minimally have “access” to these programs, services, and activities during regular business hours and days. **Access** means either:

- Having staff physically present;
- Having partner program staff physically present at the One-Stop appropriately trained to provide information to customers about the programs, services, and activities available through partner programs; or
- Providing **direct linkage** through technology to program staffers who can provide meaningful information or services. (Direct linkage means direct connection at the One-Stop, 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 to the customer. The proposed rules stipulate that simply handing out a phone number, brochure or website address is insufficient.)

All Comprehensive One-Stop Centers must be physically and programmatically accessible to individuals with disabilities.

“Missouri Job Center” (MJC) is the official name for a Comprehensive One-Stop in the Missouri One-Stop Delivery System.⁵ WIOA requires a **minimum of one** comprehensive physical location in every LWDA.⁶ (Currently, the number of Comprehensive One-Stops among Missouri LWDA ranges from one to five.)

As the following pages will explain, WIOA identifies the required partners to create at least one comprehensive one-stop location. WIOA also mandates that their activities, programs, services, and contributions to the effort be coordinated and formalized in a **Memorandum of Understanding** (MOU).

⁴ 20 CFR 678.305, as proposed.

⁵ Formerly, “Missouri Career Center.” WIOA also requires using a national common identifier, anticipated to be “American Job Center,” at all Comprehensive One-Stops, no later than July 1, 2016 (20 CFR 678.900, as proposed). These required state and national brandings do not preclude the Local Board using additional logos or name branding. The common identifiers should not be used to brand or to identify affiliate sites or specialized centers offering less than comprehensive services. This is consistent with DWD’s filed comments on 678.900 (<http://www.regulations.gov/contentStreamer?documentId=ETA-2015-0002-0287&attachmentNumber=1&disposition=attachment&contentType=pdf>.)

⁶ 20 CFR 678.300(c), as proposed.

WIOA-Identified MOU Partners

WIOA requires the Local Workforce Development Board (Local Board)⁷ for a Local Workforce Development Area (LWDA),⁸ with the agreement of the Chief Elected Official (CEO)⁹ for that LWDA, to **develop** and **enter into** an MOU with each One-Stop Partner¹⁰ within that LWDA that is involved with workforce programs and activities required to be available at the Comprehensive One-Stop Center(s). (As will be discussed later, the MOU may be a single document with multiple signatories.) WIOA likewise obligates the required One-Stop Partners to enter into an MOU with the Local Board.

The Local Board's WIOA-required partners are:

1. WIOA Adult Program (Title I)
2. WIOA Dislocated Worker Program (Title I)
3. WIOA Youth Program (Title I)
4. Job Corps (WIOA Title I)
5. YouthBuild (WIOA Title I)
6. WIOA Native American programs (see page 6)
7. WIOA Migrant and Seasonal Farmworker Programs¹¹
8. Wagner-Peyser¹² labor-exchange/employment services
9. Adult Education and Literacy (AEL) (Title II)
10. Vocational Rehabilitation (VR)¹³
11. The Senior Community Service Program¹⁴
12. Perkins Career and Technical Education¹⁵
13. Trade Adjustment Assistance¹⁶
14. Jobs for Veterans State Grants¹⁷
15. Community Services Block Grant Activities¹⁸
16. U.S. Dept. of Housing and Urban Development employment and training activities.
17. State Unemployment Compensation Law activities¹⁹
18. Reintegration programs for eligible offenders²⁰
19. Temporary Assistance for Needy Families (TANF)²¹

⁷ Or, "Local Board"; defined at 29 U.S.C. 3122.

⁸ Or, "Local Area"; defined at 29 U.S.C. 3121.

⁹ "Chief Elected Official" is defined at 29 U.S.C. 3102(9) and 3122(c)(1)(B).

¹⁰ Required and optional One-Stop Partners for the local area are prescribed at 29 U.S.C. 3151(b)(1) and 3151(b)(2), respectively.

¹¹ In the Missouri Workforce System, these programs are now "Agricultural Employment Services" (AES).

¹² 29 U.S.C. 49 et seq.

¹³ Title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.)

¹⁴ Title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.)

¹⁵ Programs at the post-secondary level authorized under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.);

¹⁶ Title II, Chapter 2 activities of the Trade Act of 1974 (19 U.S.C. 2271 et seq.).

¹⁷ Programs authorized under Chapter 41 of Title 38 U.S.C.

¹⁸ Employment and training carried out under 42 U.S.C. 9901 et seq.

¹⁹ In Missouri, those activities, in accordance with federal law, carried out under the authority of RSMo Chapter 288.

²⁰ Programs authorized under Sec. 212 of the Second Chance Act of 2007 (42 U.S.C. 17532).

The differences between the 1998 and 2014 partner requirements are the replacement of the Welfare-to-Work program with TANF, and the additions of YouthBuild and the Second Chance offender workforce-reentry programs.

In LWDAs where an **Indian and Native American (INA) program** grantee **conducts field operations or provides substantial services**, the grantee is a required partner in the local One-Stop Delivery System and is subject to the partner provisions of the Rules. The grantee and the Local Board must execute an MOU regarding operation of the One-Stop Center(s) in the Local Board's LWDA.²² If an INA program grantee fails to enter into an MOU with the Local Board, the grantee must describe, in its four-year plan, those good-faith attempts to do so. Few Local Boards in Missouri will have an INA-grantee partner.

Besides representation on the Local Board, **the State agency (DWD) also is a signatory party to the local MOU.**²³ The MOU will specify how to provide universal access to labor-exchange services in the LWDA.²⁴ Wagner-Peyser Act labor-exchange services should be coordinated with other activities provided by other partners. As part of the local MOU, the State agency, as a One-Stop Partner, may agree to have State merit staff receive guidance from the One-Stop Operator regarding the provision of labor-exchange services.²⁵ Personnel matters and accountability of State merit-staff employees remain under the authority of the State agency. The Rules continue to stipulate that **only State merit staff may provide Wagner-Peyser services.**²⁶

Optional partners²⁷ for the local MOU may include, with the approval of the local board and CEO(s):

- The U.S. Social Security Administration (SSA) employment and training program (i.e., Ticket to Work programs);
- Employment and training programs of the Small Business Administration;
- Supplemental Nutrition and Assistance Program (SNAP) employment-and-training programs;
- The Vocational Rehabilitation Client Assistance Program;
- National and Community Service Act Programs; and
- Other employment, education, or training programs, such as those operated by libraries or in the private sector.

²¹ Authorized under Part A, Title IV of the Social Security Act (42 U.S.C. 601 et seq.)

²² 20 CFR 684.330, as proposed.

²³ 20 CFR 652.201(a)(2), as proposed.

²⁴ 20 CFR 652.207(b)(4), as proposed.

²⁵ 20 CFR 652.216, as proposed.

²⁶ 20 CFR 652.215, as proposed.

²⁷ 20 CFR 678.410, as proposed.

The Spirit of the MOU

To fulfill its purpose, an MOU must, to some degree, establish what might be termed the "Three Rs" of the MOU:

- **The resources each party brings to the agreement.** An MOU should include an allusion to the funds, services, materials, or other in-kind resources each signatory provides to the partnership.
- **The responsibilities accepted.** An MOU should describe the actions, tasks, or accountability mutually expected of each signatory.
- **The rewards each party anticipates.** The MOU should describe the benefits, whether programmatic, financial, or systemic, that each of the parties hopes to reap from the mutual association.

WIOA's MOU Requirements

The Local Board for a Local Area, with the *agreement* of the CEO for that area, must develop and enter into an MOU with its One-Stop Partners.²⁸ Conversely, the law requires that One-Stop Partners providing programs and services must enter into an MOU with the Local Board²⁹ and participate in the operation of the One-Stop System in a manner consistent with the terms of that MOU, WIOA as codified in law, and the attendant federal regulations.³⁰

The MOU applies to all Comprehensive One-Stops within the Local Board's LWDA. As noted below, in the MOU the Local Board must describe the **design** of the One-Stop Delivery System services for the whole Local Area,³¹ including planned affiliated sites and specialized centers. This would be the same essential descriptive information as required in the Local Plan.³² It would discuss the role that affiliated sites and specialized centers play in the Local Area's service-delivery strategy and how they supplement and enhance customer access to services.³³

However, the MOU and its incorporated infrastructure cost-allocation agreement are only required to address **services that the required partners will deliver at the Comprehensive One-Stop Center(s)**. The U.S. Departments of Labor (DOL) and Education (ED) specifically note that the option of establishing affiliated sites "is not intended to establish a new physical presence requirement for one-stop partner programs in affiliated sites."³⁴

Although incorporating services at affiliated sites and specialized centers could be included as part of an "umbrella" MOU (*see page 11*), the State recommends that Local Boards **negotiate separate agreements** for funding of services and infrastructure cost allocations at such locations with the voluntary partners involved. The complications of rental/lease agreements, restricted services, and remote locations make this a more advisable course. (This would also avoid a situation where the Local Board would have to get the consent of all the required MOU signatories for activities at affiliated locations in which they have no part.)

Although an MOU generally is not a "legal contract" in the strict sense (*see page 17*), the MOU's existence, and adherence to the MOU, **are statutory requirements** under WIOA for both Local Boards and their One-Stop Partners.

The WIOA statutory requirements for the contents of an MOU are:

²⁸ 29 U.S.C. 3151(a)(1).

²⁹ 29 U.S.C. 3151(b)(1)(A)(iii).

³⁰ 29 U.S.C. 3151(b)(1)(A)(iv).

³¹ 20 CFR 678.300(f), as proposed.

³² 29 U.S.C. 3123(b)(6).and 20 CFR 679.560(b)(5), as proposed.

³³ 20 CFR 678.310(a), as proposed.

³⁴ DOL and ED preamble narrative for 20 CFR 678.310(a), 80 FR 20599.

- A description of the services to be provided through the One-Stop Delivery System that is consistent with WIOA's requirements;
- Details on how the costs of those services and the operating costs of the system will be funded, including:
 - Funding through cash and in-kind contributions (including funding from philanthropic organizations, other private entities, or alternative-financing options) to provide a stable and equitable funding stream; and
 - A description of how funding methods will be consistent with WIOA's "Funding of One-Stop Infrastructure requirements" in WIOA Sec. 121(h) [29 U.S.C. 3151(h)];
- A description of the methods that will be used to refer individuals between the One-Stop Operator and the One-Stop Partners for appropriate services;
- A description of the methods that will be used to ensure that the needs of workers and youth, and individuals with barriers to employment, including individuals with disabilities, are addressed; and
- To specify the duration of the MOU and the procedures for amending that MOU, if necessary, prior to its expiration. Assurances must be included that the Local Board will review the MOU with its One-Stop Partners at least every three years to ensure appropriate funding and delivery of services.

WIOA provides that the Local Area MOU may contain additional provisions created by the Local Board with its One-Stop Partners, if those provisions are consistent with the workforce-development activities requirements of WIOA Title I.³⁵

³⁵ WIOA Sec. 121(b)(2)(a); 29 U.S.C. 3151(b)(2)(a).

Regulatory Requirements for WIOA Local MOUs

To put into practice the various legal requirements of WIOA, including requirements for local memoranda, DOL and ED published a series of five Notices of Proposed Rulemakings (NPRMs) in the *Federal Register* on April 16, 2015. These rules will become part of the *Code of Federal Regulations*. Public commenting is over, and the Departments are reviewing those comments. The law requires finalization and publishing of WIOA rules by DOL and ED in the *Federal Register* in early 2016. Therefore, references herein to federal regulations refer to “proposed rules.”

DWD will update this guidance, if necessary, should the Final Rules differ significantly from those proposed. Nevertheless, it is necessary to proceed with this guidance because Local Boards must create finalized MOUs before they can be eligible for State incentive grants. There is nothing, however, in WIOA or the Rules, to prevent a Local Board from amending or updating an MOU, as future circumstances require. The Local Board also may choose to add One-Stop Partners to its MOU beyond those required by WIOA.

The bulk of the regulatory requirements for One-Stop Systems in general, and creating MOUs in particular, reside in **20 CFR Part 678**, as proposed. (For education agencies that are responsible for programs and services for Vocational Rehabilitation and Adult Education and Literacy, 34 CFR Parts 361 and 463 mirror the Title 20 Rules.) The Local Board issues invitations to participate and is the convener of all MOU negotiations.³⁶

1. A requirement for all MOUs is the document must include a **description** of the Local Area’s overall One-Stop Delivery System.³⁷
2. Two, or more, Local Boards in an established planning region may elect to develop a single, **joint MOU**, if that region has submitted a regional plan.³⁸
3. The MOU must include:³⁹
 - A description of services to be provided through the One-Stop Delivery System, including the manner in which the services will be **coordinated and delivered** through the system;
 - A **final plan**, or an interim plan if needed, on how the costs of the services and the operating costs of the system will be funded, including:
 - Funding of **infrastructure costs** of One-Stop Centers, per the One-Stop Operating Costs rules in 20 CFR Part 678 Subpart E;⁴⁰ and

³⁶ DOL preamble narrative regarding Subpart C—Memorandum of Understanding for the One-Stop Delivery System; Docket ETA 2015-0002; 80 FR 20602.

³⁷ 20 CFR 678.300(f), as proposed.

³⁸ 20 CFR 678.500(a) as proposed, per WIOA Sec. 106 (29 U.S.C. 3121).

³⁹ 20 CFR 678.500(b) et seq., as proposed.

⁴⁰ 20 CFR 678.700 et seq., as proposed.

- **Funding of the shared services and operating costs** of the One-Stop Delivery System described in 20 CFR 678.760.
 - **Methods of referring** individuals among the One-Stop Operators and One-Stop Partners for appropriate services and activities;
 - Methods to address the needs of workers, youth, and individuals with **barriers to employment**, including individuals with disabilities. **Access to services** must include access to technology and materials that are available through the One-Stop Delivery System;
 - The **duration** of the MOU and procedures for **amending** it; and
 - Assurances to **review** each MOU at least every three years, and if substantive changes occurred, the Local Board will update the MOU.
4. The MOU may, and probably should, contain other provisions agreed to by the parties, as long as they are consistent with Subchapter I—Workforce Development Activities of U.S.C. Title 29, the authorizing statutes and regulations of One-Stop Partner programs, and the WIOA regulations.⁴¹ For example, although not specifically addressed in the Proposed Rules or in WIOA, the MOU should formalize a reciprocity agreement regarding assessments, testing, employment plans, co-enrollments, and so forth. (All partners agree to accept the products of the other partners.) Likewise, the MOU must address staffing expectations, comparative leave policies, and temporary reassignments among One-Stops for holidays or emergency closings when partner agencies have different closing dates or leave policies.
 5. The finalized MOU must contain the **signatures** of the Local Board,⁴² One-Stop Partners, and the CEO,⁴³ as well as the period in which the agreement is effective. It must also bear the date of the signatures. The partners must update the MOU at least once every three years to reflect any changes in the signatory official of the Board, One-Stop Partners, and CEOs, or one-stop infrastructure funding.⁴⁴
 6. If a One-Stop Partner’s appeal to the State regarding infrastructure costs, (using the process described in 20 CFR 678.750, as proposed) results in a change to that partner’s cost contributions, the **MOU must be updated** to reflect the final One-Stop Partner infrastructure cost contributions.
 7. A single **“umbrella” MOU** (one document) may be developed for the Local Board, CEO, and all partners. Alternatively, the Local Board (with the

⁴¹ WIOA Sec. 121(c)(2)(B); 29 U.S.C. 3151(c)(2)(B).

⁴² The proposed rules are unspecific about the required number of Local Board signatories. DWD’s guidance is that the signature of the elected board chairperson is sufficient.

⁴³ As in the above note, DWD’s guidance is that the signature of the CEO supervising other board activities (i.e., the chair of a consortium of CEOs) is sufficient. However, the CEO must be actively involved with the MOU-development process, not merely a signatory.

⁴⁴ 20 CFR 678.500(d), as proposed. [However, see WIOA Sec. 121(c)(2)(A)(v) for correct wording of review requirement.] DOL’s preamble narrative (regarding Subpart C—Memorandum of Understanding for the One-Stop Delivery System; Docket ETA 2015-0002; 80 FR 20602) advises, “A lack of signatures for the MOU means that the Local Board has not established an MOU.”

agreement of CEO) may enter into separate agreements between each partner or with groups of partners. Under either approach, the above rules apply. Because funds are generally appropriated annually, the Local Board may negotiate financial agreements with each partner annually to update funding of services and operating costs of the system under the MOU.

8. The Proposed Rules assert that **negotiations** for the MOU (as led by the Local Board and involving the CEO and One-Stop Partners) are expected to be conducted “in good faith.”⁴⁵ However, if negotiations reach an impasse, the Local Board and partners must document the efforts that have taken place and the nature of the deadlock. Then they must report the situation to State officials.⁴⁶ The Local Board, the CEO, or any One-Stop Partner may request the appropriate State agency (DWD, Department of Elementary and Secondary Education, Department of Social Services, or Department of Labor and Industrial Relations) or the State Board (the Missouri Workforce Development Board) to arbitrate differences.
9. The Local Board and One-Stop Partners must include in the MOU a final plan for how they will fund the **infrastructure costs of the One-Stop Centers** in the Local Area. Although some required partners may elect to participate in services and activities at affiliated sites in the LWDA, they are only obligated to share infrastructure costs at One-Stop Centers that meet the definition of a Comprehensive One-Stop Center.⁴⁷ (A discussion of infrastructure costs and the Rules regarding them follows in the next section of this guidance.)

If a final plan for funding infrastructure costs is not complete when the other sections of the MOU are ready, the Proposed Rules allow for an **interim infrastructure-funding agreement** as a substitute.⁴⁸ The final infrastructure-funding plan for the MOU must be complete within six months of the original signing of the MOU containing the interim substitute, or the obligation to notify state officials, as outlined above, applies. The signatories must re-sign the MOU including the final infrastructure cost agreement if the MOU states that as an agreed amendment procedure.

⁴⁵ The “good faith” directive does not appear in WIOA; the Departments applied it in the NPRM. DOL’s preamble narrative (regarding Subpart C—Memorandum of Understanding for the One-Stop Delivery System; Docket ETA 2015-0002; 80 FR 20602) describes “good faith” as “fully and repeatedly engaging partners, transparently sharing information, and maintaining a shared focus on the needs of the customer.” DOL’s narrative also cautions Local Boards that, “...any local area in which a Local Board has failed to execute an MOU with all of the required partners is not eligible for State incentive grants, and these sanctions are in addition to, not in lieu of, any other remedies that may be applicable to the Local Board or to each partner for failure to comply with any statutory requirements.”

⁴⁶ 20 CFR 678.510(c), as proposed.

⁴⁷ 20 CFR 678.305 and 678.310, as proposed, and at DOL narrative regarding Subpart A—General Description of the One-Stop Delivery System; Docket ETA 2015-0002, 80 FR 20599.

⁴⁸ 20 CFR 678.510(b) and 678.715(c), as proposed.

Identifying One-Stop Infrastructure Costs

Subpart E of 20 CFR 678, as proposed, describes one-stop infrastructure costs and local funding mechanisms. As previously discussed, the Local Area MOU must include details on how the Local Board and One-Stop Partners agree to deal with funding of infrastructure costs and with the costs of shared services and operations.

Infrastructure costs⁴⁹ of One-Stop Centers are **non-personnel costs** necessary for the general operation of the center, including:

- Rental or leasing of the facilities;
- Utilities and maintenance costs;
- Equipment (including assessment-related products 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.

In the Proposed Rules, DOL also grants that Local Boards may consider **common identifier costs** included as costs of one-stop infrastructure.⁵⁰ This would include any interior or exterior signage to conform to the display of the required national One-Stop Center name and logo. (DOL proposes that this will be the "American Job Center" name and logo currently in limited use, but DOL may modify that choice in the 2016 Final Rules.)

DOL requested⁵¹ comments on including other common-identifier costs as infrastructure costs, so the Final Rules may add other stipulations.

DWD's guidance is that costs incurred for signage to display the required "Missouri Job Center" logo on or about the property used as a Comprehensive One-Stop count as infrastructure costs shareable among the One-Stop Partners. Reference to proper display and use of the Missouri common identifier, and the federal common identifier when finalized, can be found in the *DWD Style Guide*.⁵²

⁴⁹ WIOA Sec. 121(h)(4); 29 U.S.C. 3151(h)(4); 20 CFR 678.700, as proposed.

⁵⁰ 20 CFR 678.700(a)(b), as proposed.

⁵¹ DOL narrative regarding Subpart E—One-Stop Operating Costs; Docket ETA 2015-0002; 80 FR 20606.

⁵² <https://jobs.mo.gov/dwdstyleguide>

Allocating One-Stop Infrastructure Costs

Each required partner and additional partner (pages 5–6) that carries out a program or activities in a local One-Stop Center must 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. These payments must be in accordance with: 20 CFR Part 678 Subpart E, as proposed; federal cost principles, which require that all costs must be allowable, reasonable, necessary, and allocable to the program (2 CFR Part 200); and all other applicable legal requirements.

DOL's preamble narrative⁵³ for Proposed Section 678.700 comments that

"There are a variety of methods to allocate costs, for instance: Based on proportion of a partner program's customers of all customers coming to the one-stop, proportion of partner program's staff among all staff at the one-stop, or based on a partner program's use of a particular expense item such as certain equipment. The DOL's previous Financial Management Technical Assistance Guide published for WIA remains useful for cost allocation explanations. See http://www.doleta.gov/grants/pdf/TAG_PartI.pdf and http://www.doleta.gov/grants/pdf/TAG_PartII_July2011.pdf. The DOL and ED jointly will update this guide and provide technical assistance on cost allocation."

DWD is awaiting that promised update from DOL and ED.

Guidance also will be forthcoming from the State⁵⁴ on State-administered One-Stop Partner programs for determining the contribution of those programs to the One-Stop Delivery System. These guidelines will focus on proportionate use of system resources as well as proportionate benefits, consistent with federal guidance.⁵⁵ This will include guidance to assist the efforts of Local Boards, CEOs, and One-Stop Partners to determine equitable and stable methods of funding the costs of infrastructure of One-Stop Centers. State guidance also will establish timelines for requesting arbitration in the case of a stalled MOU. This guidance will be available as soon as feasible. Additional specific guidance will be forthcoming as cost-allocation models are confirmed.

In the NPRM preamble narrative, DOL and ED noted that, "The Departments have interpreted the statute also to require that the local areas follow these guidelines, and to allow the State grantee to monitor local areas for compliance...."

If the Local Board and One-Stop Partners are unable to reach a consensus on infrastructure-cost allocation, WIOA provides⁵⁶ that the State will impose an

⁵³ DOL narrative regarding Subpart E—One-Stop Operating Costs; Docket ETA 2015-0002; 80 FR 20606.

⁵⁴ 20 CFR 678.705, as proposed; WIOA Sec. 121(h)(1)(B); 29 U.S.C. 3151(h)(1)(B).

⁵⁵ 2 CFR Chapter II.

⁵⁶ WIOA Sec. 121(h)(1)(A)(ii); 29 U.S.C. 3151(h)(1)(A)(ii).

infrastructure funding mechanism on the Local Area for that Program Year and each subsequent Program Year of continuing local failure to reach agreement.⁵⁷

It is important to note that WIOA⁵⁸ and the Proposed Rules⁵⁹ provide that if it falls to the State to impose an infrastructure funding mechanism on the Local Area, absent consensus in an MOU, **funding becomes restricted**. For most One-Stop Partner programs, infrastructure costs would be limited to the program's **administrative funds**, not program funds. The amount of administrative funds that could be used also would be restricted by that program's limitations on the use of administrative funds. **Therefore, the absence of an MOU would severely hamper the Local Area in its ability to meet infrastructure cost requirements.**

As previously discussed (page 11), an **interim infrastructure cost-sharing agreement** may be used in the MOU to facilitate signing the MOU before the July 1, 2016, deadline. Within six months of the original signing date for the MOU containing the interim substitute (i.e., no later than December 31, 2016), the final infrastructure-funding plan for the MOU must be completed.

The MOU including the finalized funding plan must be re-signed. If the interim infrastructure cost-sharing agreement is not finalized (and the MOU is not re-signed) within the six-month grace period, it will trigger the provisions for a **State-imposed funding mechanism**.⁶⁰

Likewise, if the MOU (whether it contains an interim or a final infrastructure cost-sharing agreement) **is not signed** by the beginning of the Program Year, the State funding mechanism is triggered.⁶¹

More specifically, an MOU containing either an interim or a finalized infrastructure cost-sharing agreement will meet the statutory and regulatory mandates if all required parties sign on or before July 1, 2016. However, **an unsigned MOU is invalid and deemed absent**, and any cost-allocation agreements contained within it, even if finalized, are irrelevant.

Specific details in the MOU about the amounts, and methods of calculating those amounts, that each partner will contribute to infrastructure costs must include:⁶²

- The **period of time** in which the infrastructure-funding agreement is effective. This subpart of the MOU may have a different inception, duration, or renewal date from that of the MOU as a whole.

⁵⁷ WIOA Sec. 121(h)(2); 20 CFR 678.725, as proposed.

⁵⁸ WIOA Sec. 121(h)(2)(D)(i)(I); 29 U.S.C. 3151(h)(2)(D)(i)(I)

⁵⁹ 20 CFR 678.740(b), as proposed.

⁶⁰ 20 CFR 678.715(e), as proposed.

⁶¹ 20 CFR 678.725 and DOL/ED preamble narrative for that section, 80 FR 20607.

⁶² 20 CFR 678.755, as proposed.

- 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 charges to each partner in proportion to relative benefits received. The budget must comply with federal guidance.⁶³
- **Identification of all participants** (One-Stop Partners, CEOs, and Local Board) in the infrastructure funding arrangement.
- **Steps used** by those participants to reach consensus or an **assurance** that the local area followed the guidance for the State one-stop infrastructure-funding process.
- A description of the **process** that partners will use to resolve issues during the MOU duration period when there is no consensus.
- A description of the periodic modification and **review** process to ensure equitable benefit among One-Stop Partners.

Additional DWD guidance on infrastructure cost sharing is that some or all the required partners' proportionate shares of costs may be in the form of non-cash or in-kind contributions (just like shared service costs), if so agreed in the MOU.

⁶³ WIOA Sec. 121(h)(4); 29 U.S.C. 3151(h)(4); 20 CFR 678.700, as proposed.

Other Shared Costs Covered by the MOU

In addition to infrastructure costs, One-Stop Partners must jointly use a portion of funds made available under their programs' authorizing federal law (or fairly evaluated in-kind contributions) to pay the **additional costs** to operate the One-Stop Delivery System. This must include **applicable career services**.

One-Stop Partners also may jointly fund **shared services** to the extent consistent with their programs' federal authorizing statutes and other applicable legal requirements. Shared services costs may include career services provided to any individual, such as initial intake, assessment of needs, appraisal of basic skills, identification of appropriate services to meet such needs, referrals to other One-Stop Partners, accommodations for customers with disabilities, and business services. Shared operating costs include the cost of the **Functional Leader**⁶⁴ for the One-Stop Center and may include shared costs of the Local Board's functions.

Shared costs must be allocated according to the **proportion of benefit** received by each of the partners, consistent with the federal law authorizing the partner's program, and consistent with all other applicable legal requirements, including federal cost principles.⁶⁵

Any shared costs agreed upon by the partners **must be included in the MOU**.

DOL's preamble narrative⁶⁶ for 20 CFR 678.760 as proposed reminds that cash and non-cash resources may meet shared costs. Non-cash or in-kind contributions may include resources such as space, equipment, staff to deliver services, and other contributions. The MOU should address all such alternatives. DOL also notes that:

"WIOA neither requires programs to examine if other funds are available before using program funds to pay for a service, nor does it establish requirements that any program can only be a 'payer of last resort.' One-stop partners may jointly fund services in a manner of their choosing that meets the requirements of this part, meets the federal cost principles, and meets the requirements of the programs' authorizing statutes and regulations. The DOL published Financial Management Technical Assistance Guides for use under WIA that are still useful in determining reasonable cost allocation methodologies, and how to jointly fund shared activities and services."

The guidance then cites the same resource links previously noted on page 13.

⁶⁴ DWD Issuance 18-2009, "Functional Leadership for Missouri's Next Generation Career Centers," February 11, 2010.

⁶⁵ WIOA Sec. 121(h)(4); 29 U.S.C. 3151(h)(4); 20 CFR 678.700, as proposed.

⁶⁶ DOL narrative regarding Subpart E—One-Stop Operating Costs; Docket ETA 2015-0002; 80 FR 20608.

Constructing Your Local MOU

I. Introduction to MOUs

A Memorandum of Understanding (MOU) is a formal agreement between two or more parties that does not legally bind any of the parties involved to a specific course of action. In many situations, a legally binding contract would be either inappropriate or infeasible, but an informal or verbal agreement leaves the door open to misunderstandings. With an MOU, each party agrees to a specific division of roles and responsibilities so that all parties may achieve a common goal.

In preparing for the provisions in the WIOA law and the regulations set forth by DOL and ED, each Local Board will need to create MOUs to establish each organization's responsibility to provide Missouri Job Center services. This document provides guidelines for developing and maintaining effective MOUs.

II. Elements of an MOU

At a minimum, an effective Memorandum of Understanding must include:

- **The goals that must be accomplished.** An MOU regarding Missouri Job Center services, for instance, must describe the services that need to be offered, clearly, and in detail.
- **The resources each party must agree to commit.** An MOU must detail how the parties will divide project costs. For new projects, remember to include both the initial project costs as well as the ongoing costs necessary to continue the project. An MOU should also include any non-monetary resources necessary to the agreement, such as real estate or employee time.
- **The responsibilities each party must agree to accept.** An MOU must detail which party is responsible for each action and step necessary to achieve the desired goal.
- **The way in which the parties will interact.** If the project involves any exchange of resources, labor, or information, the MOU must detail the process by which those exchanges will occur.
- **The duration of the agreement and the process to amend it.** Because an MOU is not legally binding, any party may choose to end their participation in the agreement at any time. [However, the absence of an MOU may have serious repercussions regarding grant eligibility and funding. (*See pages 9, 11 {footnotes}, and 14.*)] To ensure continued cooperation, it is important to reevaluate and amend an MOU as time passes and organizational goals change.

An effective MOU should also include:

- **Background information on the goal.** This may include the strategic vision for the project as well as the circumstances that necessitated cooperation between the involved parties.

- **Measures of performance.** If one or more of the involved parties is accountable for the performance of the project, the MOU should include the standards and requirements those parties are to meet.

MOUs should be clear, concise, and easy to understand. If the text of the MOU includes terminology that is jargon specific to one partner (or is used by another partner but with an entirely different meaning), include a glossary to define those terms. Attachments may be more suitable for long or technical process details than the body of the MOU. Charts, tables, and other graphics may sometimes illustrate information more effectively than paragraphs. An effective MOU is a powerful tool for communication.

III. Life Cycle of an MOU

An MOU is inherently flexible due to its legal status—a living document. Drafting and signing an MOU should be one of the first steps in considering a project that requires cooperation between organizations. At first, an MOU may not include all of the detailed information necessary to complete the goal, but it will lay an important framework for communication and project governance.

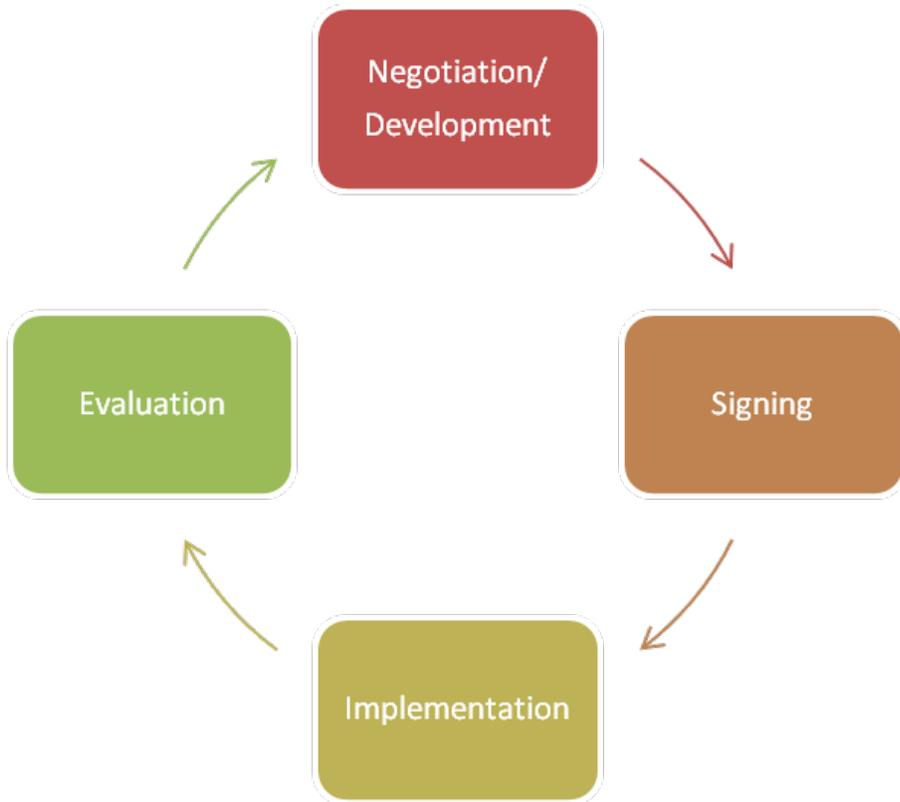
Before negotiating an MOU, all parties should have a clear understanding of their own goals and expectations for the project. Once all parties have discussed these goals and expectations with each other, a project manager or facilitator should create an initial draft of the agreement and coordinate its editing and development. The development process may take some time as each party gets the opportunity to propose and negotiate changes until all parties agree to one version of the MOU.

Once all parties have agreed to the terms of the MOU including the process to amend the MOU as necessary, all parties should sign the agreement. The MOU may specify that the agreement will either commence as soon as all parties have signed the MOU or on a specific date in the future.

After the MOU is in force, there should be evaluation on a regular basis to ensure achievement of the desired goal and that the terms of the agreement are still equitable. The first evaluation should occur as soon as the results of the project are evident or measurable. Future evaluations typically occur as the MOU approaches its specified end date, but additional evaluations may become necessary throughout the duration of the agreement.

Any time the partners amend or extend the MOU, all parties that continue to constitute the partnership must sign it. This would include expanding an MOU to add a non-required partner.

Figure 3.1: Life Cycle of an MOU



Sample MOU

(Note: The following sample merely demonstrates the basic format and elements of an umbrella MOU. The information contained within may not be representative of an actual agreement. Each MOU should meet the specific goals and circumstances of the parties involved.)

I. Introduction

This Memorandum of Understanding (MOU) establishes the spirit of cooperation and collaboration by the East Central Area Local Workforce Development Board (“the Board”) and the One-Stop Delivery System signatory partners (“the Partners”) hereafter named. It describes how they will use their various funding streams and resources to serve their mutual customers, both jobseekers and employers, through an integrated system of service delivery operated at Y comprehensive sites, called Missouri Job Centers, and Z affiliated satellite sites. We understand that the development and implementation of these sites will require mutual trust and teamwork between the partnering agencies.

II. Strategic Vision

The purpose of the Missouri Job Centers is to advance the economic well-being of the local workforce development area by developing and maintaining a quality workforce. The centers shall serve as focal points for local and regional workforce-innovation initiatives. Achieving this will require delivering high-quality and integrated workforce innovation, education, and economic-development services for jobseekers, incumbent workers, and employers.

III. Services to be Provided

The following table details the services that the partners will deliver through the One-Stop System, the agencies responsible for delivering those services, and the revenue sources those agencies will use to fund the services.

Service	Agencies	Revenue Sources
...

(Note: There are many ways to display a table with all of the relevant information regarding the provided services. The table should provide as many details as are feasible. It is likely that some information regarding these services will also be contained in the local plan.)

IV. Shared Funding of Infrastructure

The following table details the non-personnel costs associated with running the Comprehensive One-Stops named, and the allocation of those costs to the various One-Stop Partners

Rent/Leasing of Facilities	Utilities	Maintenance	Equipment	Specialized Technologies

V. Shared Funding of Services

The following table details program services and activities that will be mutually funded by the Partners and the revenue sources the Partners will use to fund those services and activities. Include Functional Leader costs.

Service	Service Description	Revenue Sources	Shared Costs (In-Kind, Cash, Total)	Agencies Sharing Costs

VI. Systematic Referral Process for Job Center Customers

We agree that the Partners will conduct referral for services in the following manner:

1. All customers referred for services will receive a written referral form with the date, time, and place of the appointment.
2. All appointments will be scheduled within three working days.
3. The individual making the appointment will follow up within two working days of the scheduled appointment date.

VII. Human Resources Management

We agree that the Partners will develop commonly accepted expectations for customer service and engagement that are compliant with each individual entity's employee policies. Each Partner will incorporate those expectations into their own employee-performance system and agree to conduct periodic performance reviews in accordance with the requirements of their organization.

VIII. One-Stop Delivery System Performance Criteria

We agree that the One-Stop Delivery System will strive to achieve these standards of quality service for its customers, employees, and Partners:

1. All customers will receive prompt and courteous service from the staff.
2. All customers will receive the services designed to assist customers in achieving their educational and/or job placement goals.
3. All employees can expect to work in a safe and professional environment.
4. All employees can expect to receive the best tools to achieve the desired outcome for their customers.
5. All Partners will deliver high-quality services through the Missouri Job Centers.
6. The MOU may contain specific mutual-performance goals. For example:
"All Partners will place a minimum of 70% of their customers in jobs with family-sustaining wages for at least 180 days."

IX. Governance of the One-Stop Delivery System

The ultimate accountability and responsibility for the One-Stop System organizational processes, services, and accomplishments will rest with the Board, the One-Stop operator, and the Partners.

The Board's responsibilities will be:

- 1.
- 2.
- ...

The One-Stop operator's responsibilities will be:

- 1.
- 2.
- ...

The One-Stop Partners' responsibilities will be:

- 1.
- 2.
- ...

X. Duration and Modification

The parties agree that the terms of this MOU as a whole will take effect as of YYYY-MM-DD and will continue in effect until YYYY-MM-DD or such time as any party will modify, extend, or terminate this MOU. Amendments to the MOU may be made upon consensus of all parties at least 30 days prior to the effective date of the change.

- The terms of the **shared funding of infrastructure costs** agreed to in section IV will take effect as of YYYY-MM-DD and will continue in effect until YYYY-MM-DD, or such time as any party will modify, extend, or terminate that subpart of this agreement.

[Remember that in accordance with 20 CFR 678.755(a), as proposed, the above subpart of the MOU may have a different inception, duration, or renewal date from that of the MOU as a whole. See page 14.]

XI. Termination

Any party to this agreement may cease participation in the agreement. Any party that intends to cease participation must notify the other parties to the agreement at least 30 days prior to the effective termination date.

Signatures

Signature Title

Agency Date

Signature Title

Agency Date

Signature Title

Agency Date

Signature Title

Agency Date

[Etc., to accommodate all Partners]

Additional Resources

There are many great resources on the Internet regarding the development and maintenance of MOUs. A few of those resources are:

Illustrative Memorandum of Understanding between a Public Institution or System and an Affiliated Foundation

Association of Governing Boards of Universities and Colleges

<http://agb.org/reports/2014/illustrative-memorandum-understanding-between-public-institution-or-system-and-affiliat#>

Practices Guide: Service Level Agreement/Memorandum of Understanding

Department of Health and Human Services

http://www.hhs.gov/ocio/eplc/EPLC%20Archive%20Documents/50-SLA%20and%20MOU/eplc_sla_mou_practices_guide.pdf

Memorandum of Understanding Instruction Guidance

NGOConnect.net

<http://www.ngoconnect.net/documents/592341/749044/MEMORANDUM+OF+UNDE+RSTANDING+INSTRUCTION+GUIDANCE>

Additional State Guidance for MOUs

Functional Leader services are shared costs. The MOU should include and specify that functional management for the operation of the Comprehensive One Stop Center for team assignments, workflow, work schedules, and staff training needs is the purview of the Functional Leader designated by the Local Board in conjunction with the appointed DWD Centralized Manager. This includes the day-to-day supervision of service delivery, excepting personnel and disciplinary functions. The Functional Leader serves at the joint pleasure of the Local Board and DWD, who determine the filling of, or removal from, that position. The cost of the Functional Leader is to be shared among the required One-Stop Partners as part of shared funding of services.

Amended MOUs require Local Plan modification. Altering or amending an MOU also triggers a Missouri State (DWD) requirement for filing a plan modification to the Local Plan for that area.⁶⁷ As with Local Plans, send copies of finalized, signed MOUs, to DWD's Office of Performance and Research. (See front cover.)

Finalized MOUs are public records. Local Boards are public governmental bodies under the Missouri Sunshine Law,⁶⁸ and the *finalized*, signed version of the MOU is a public record, just as are the Local Plan and Local Board minutes. WIOA stipulates,⁶⁹ and the Proposed Rules codify,⁷⁰ additional federal sunshine requirements. However, minutes of **negotiations** between parties to create the MOU are not a public record.⁷¹

⁶⁷ DWD Issuance 06-2005, *Local Plan Modification Procedures* (March 29, 2006).

⁶⁸ Chapter 610, RSMo.

⁶⁹ WIOA Sec. 107(e); 29 U.S.C. 3122(e).

⁷⁰ 20 CFR 679.390, as proposed.

⁷¹ Missouri Attorney General Opinion No. 83-2009.