

WORKFORCE SERVICES DIRECTIVE

Number: WSD15-12

Date: January 20, 2016
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TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: WIOA PHASE I MEMORANDUMS OF UNDERSTANDING

EXECUTIVE SUMMARY

Purpose

This policy provides guidance on the development of Memorandums of Understanding (MOUs) under the *Workforce Innovation and Opportunity Act* (WIOA).

Please note that this guidance was developed using the WIOA Notices of Proposed Rule Making (NPRM) and is subject to change based upon issuance of the final WIOA regulations or further guidance from Department of Labor (DOL).

Scope

This directive applies to all Local Workforce Development Boards (Local Boards).

Effective Date

This directive is effective on the date of issuance.

REFERENCES

- WIOA (Public Law 113-128) Section 121(c)
- *Americans with Disability Act Amendment Act of 2008* (ADA) (Public Law 110-325)
- Title 34 *Code of Federal Regulations* (CFR) "WIOA, Joint Rule for Unified and Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions; Notices of Proposed Rule Making"
- Title 2 CFR Part 200: "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards"

The EDD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.

STATE-IMPOSED REQUIREMENTS

This directive contains some state-imposed requirements. These requirements are printed in ***bold, italic type***.

FILING INSTRUCTIONS

This directive finalizes Workforce Services Draft Directive WSDD-131, dated November 25, 2015. The Central Office Workforce Services Division received eight comments during the comment period. A summary of these comments is provided as an attachment. Retain this directive until further notice.

BACKGROUND

The WIOA strengthens the ability of our public workforce system to align investments in workforce, education, and economic development with regional in-demand jobs. It also focuses on the importance of providing customers with access to high-quality One-Stop centers that connect them with the full range of services available in their communities.

Accordingly, California's Unified Strategic Workforce Development Plan (State Plan) was developed with the following three policy objectives in mind:

- Fostering demand-driven skills attainment
- Enabling upward mobility for all Californians
- Aligning, coordinating, and integrating programs and services

To achieve these objectives, the America's Job Center of CaliforniaSM (AJCC) system must serve as an all-inclusive access point to education and training programs that provide demand-driven skills attainment, especially for those with barriers to employment.

A critical component of the successful implementation of the State Plan vision is a well-articulated MOU. Local Boards, with the agreement of the chief elected official (CEO), are responsible for entering into a MOU with each of the AJCC partners that outlines the operations of the overarching One-Stop delivery system (WIOA Section 121[c]). The law envisions that Local Boards will act as both the convener of the MOU negotiations as well as the shaper of how One-Stop services are delivered within their Local Workforce Development Area (Local Area) (NPRM Preamble page 20602).

POLICY AND PROCEDURES

The AJCCs are the cornerstone of California's workforce development system. The AJCC partners are jointly responsible for workforce and economic development, educational, and other human service programs. Therefore, collaboration is essential to establishing a quality-focused, employer-driven, and customer-centered system.

Comprehensive AJCC

Every Local Area must have at least one comprehensive AJCC that provides universal access to the full range of employment services, training and education, employer assistance, etc. In other words, a comprehensive AJCC is a physical location where job seekers and employers have access to the programs, services, and activities of all the required AJCC partners. These include the following:

- WIOA Title I Adult, Dislocated Worker, and Youth
- WIOA Title II Adult Education and Literacy
- WIOA Title III Wagner-Peyser
- WIOA Title IV Vocational Rehabilitation
- Carl Perkins Career Technical Education
- Title V Older Americans Act
- Job Corps
- Native American Programs (Section 166)
- Migrant Seasonal Farmworkers (Section 167)
- Veterans
- Youth Build
- Trade Adjustment Assistance Act
- Community Services Block Grant
- Housing & Urban Development
- Unemployment Compensation
- Second Chance
- Temporary Assistance for Needy Families/CalWORKs

The term “access” refers to providing services that are accessible to all AJCC customers, including those with disabilities, through one of the following methods:

- Co-location – Program staff from each partner are physically present at the AJCC.
- Cross information sharing – Staff physically present at the AJCC are properly trained to provide information about all programs, services, and activities that may be available to the customer through other partners.
- Direct access through real-time technology – Access through two-way communication and interaction between customers and AJCC partners that result in services being provided. Examples may include the following:
 - Email or instant messaging.
 - Live chat via Skype or Facetime.
 - Identification of a single point of contact for service delivery at each partner program.
 - Establishment of an internet portal linking all of the partners.

(NPRM Section 678.305)

Affiliate AJCCs

An affiliate AJCC is a center that offers job seekers and employers one or more of the AJCC programs, services, and activities. These types of centers serve as access points into the local AJCC system. An affiliated site is not required to provide access to every required AJCC core or partner service and the frequency of staff presence in an affiliated center is determined at the local level. Affiliate AJCCs can be specialized centers that address specific needs of a target population or key industry sector or cluster. Local Areas choosing to incorporate affiliated centers as part of their service delivery strategy should implement these centers in a manner that supplements and enhances customer access (NPRM Section 678.310).

Stand Alone Wagner-Peyser Office

Stand-alone Wagner-Peyser (W-P) Employment Service (ES) offices are no longer permitted. Current W-P offices may transition to an affiliate center, provided that staff from at least one other partner in the affiliated center is physically present more than 50 percent of the time during the center's business hours and an MOU has been developed with the Local Board. Additionally, the other partner must not be the partner administering local veterans' employment representatives, disabled veterans' outreach program specialists, or unemployment compensation programs. If W-P ES and any of these three programs are provided at an affiliated site, an additional partner must have staff present in the center more than 50 percent of the time during the center's business hours (NPRM Section 678.315).

Development of a Memorandum of Understanding

Each MOU should act as a functional tool as well as visionary plan for how the Local Board and AJCC partners will work together to create a unified service delivery system that best meets the needs of their shared customers.

Local Boards may develop a single "umbrella" MOU that addresses overarching issues for the Local Board, CEO, and AJCC partners as they relate to the local AJCC system. Alternatively, they may choose to enter into a separate MOU with each individual partner or groups of partners (NPRM Section 678.505). Two or more Local Areas within a planning region also have the option to develop a single joint MOU, should they wish to do so (NPRM Section 678.500).

The three major components each MOU should address are as follows:

1. Shared Customers
2. Shared Services
3. Shared Costs

Joint infrastructure funding is a critical part of establishing the foundation needed to support integrated service delivery. Therefore, under WIOA each of the required partners must contribute a portion of their funds toward maintaining the AJCC system [WIOA Section 121(b)(1)]. However, in order to ensure we are moving toward a customer-focused approach across all programs, the shared resources and costs portion of each MOU does not have to be negotiated until after the Local Board and AJCC partners have first addressed their shared customers and services.

Phase I and Phase II

The MOU development process will take place in two phases. Phase I of each MOU will address service coordination and collaboration amongst the partners. Phase II will address how to functionally and fiscally sustain the unified system described in Phase I through the use of resource sharing and joint infrastructure costs. The State compiled a matrix of the AJCC required partners at the state and local level as well as the preferred points of contact for MOU negotiations and signatures (Attachment 3). After each phase of a MOU has been completed, authorized representatives of the Local Board, CEO, and AJCC partner(s) must sign it.

Phase I: Service Coordination

For Phase I, Local Boards are expected to work with all of the required partners in their Local Area to develop an agreement regarding the operations of the local One-Stop system as it relates to shared services and customers. ***Phase I of each MOU must be completed no later than June 30, 2016.***

Phase II: Shared Resources and Costs

For Phase II, Local Boards should build upon the agreements established in Phase I and determine how to best support their established service delivery model through the sharing of resources and costs. ***Phase II of each MOU must be completed no later than June 30, 2017.***

The two-part schedule is being provided in order to allow time for other key WIOA milestones (e.g., Local Area subsequent designation, AJCC operator procurement, establishment of a state infrastructure fund) to be completed before Phase II is due. Prior to the completion of Phase II, Local Boards may continue to negotiate local funding agreements as they previously had been under the Workforce Investment Act.

While the AJCC operator can participate in the MOU development process, the responsibility of negotiating Phase I of each MOU cannot be delegated to them as part of the competitive procurement process. Local Boards may wish to request an assessment of an applicant's ability to leverage resources or their experience in working with the required AJCC partners. However, they cannot require applicants to submit each AJCC partner's financial commitments as part of the procurement process.

Every MOU must contain an assurance that it will be reviewed and updated, at a minimum, every three years in order to ensure it contains up to date information regarding funding, delivery of services, and changes in the signatory official of the Local Board, CEO, or AJCC partner(s).

In addition, each MOU must be reviewed and, if necessary, renegotiated after Local Workforce Development Plans and Regional Workforce Development Plans have been developed. This is to ensure they are properly aligned with the local priorities and strategies identified in both plans.

Strategic Timeline

During the MOU development process, Local Boards should remain aware of upcoming deadlines for several other key WIOA provisions. The timeline below takes into account current federal guidance as well as California's strategic vision for WIOA implementation:

- During PY 2015-2016, Local Boards must complete Phase I of the MOU no later than **June 30, 2016**.
- During PY 2016-2017, Local Boards must ensure that AJCC operators and career services providers are in place and operating by **June 30, 2017**.
- During PY 2017-2018, Local Boards must complete Phase II of the MOU no later than **June 30, 2017**.
- During PY 2018-2019, Local Boards must ensure that both Regional Plans and Local Plans go into effect as of **July 1, 2018**.

**Please note, dates are subject to change, pending further guidance from DOL.*

Provisions of a Memorandum of Understanding

The table below outlines the content for Phase I and Phase II of the MOU development process. The left column lists the provisions that each MOU must contain, as required by WIOA. The right column lists what corresponding information needs to be included in order to address each provision.

In addition, the state developed a Sample MOU (Attachment 1). The Sample MOU is intended to be a technical assistance tool rather than a required template. As such, it should be used in whatever way best fits the needs of the Local Board.

| <u>Phase I</u> June 30, 2016 | |
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| MOU Provisions Required under WIOA Section 121 (c) | Corresponding Information Needed |
| Services provided through the One-Stop delivery system WIOA Section 121(c)(2)(A)(i) Describe 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 a system. | <ul style="list-style-type: none">• Define the purpose, mission, values and goals of the AJCC system.• Identify the AJCC partner(s) included in the MOU.• Describe the AJCC system design.• Describe the AJCC system services, that are applicable to each partner, including career services and those identified in the bi-lateral agreements contained in the State Plan• Identify the AJCC system customers and describe shared customers. |

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| | <ul style="list-style-type: none"> Describe the responsibilities of the AJCC partner(s), including joint planning and staff development/professional development. |
| <p>Initial Plan for Funding of Services and Operating Costs</p> <p>Describe the initial plan for Phase II as referenced in WIOA Section 121(c)(2)(A)(ii).</p> | <ul style="list-style-type: none"> Include a commitment to sharing system operating costs. Include an assurance that costs will be based on proportionate use and agreed upon methodology. Include an assurance that a cost sharing agreement will be completed during Phase II of MOU process (see Attachment 1 for more guidance). |
| <p>Methods for Referring Customers</p> <p>WIOA Section 121(c)(2)(A)(iii)</p> <p>Describe methods of referral of individuals between the One-Stop operator and the One-Stop partners for appropriate services and activities.</p> | <ul style="list-style-type: none"> Describe the AJCC system referral process. Describe commitment to ensuring a high quality customer service and customer-centered focus. Identify how the AJCC system will provide direct access to partners through real-time technology. |
| <p>Access to Services</p> <p>WIOA Section 121(c)(2)(A)(iv)</p> <p>Describe 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.</p> | <ul style="list-style-type: none"> Attach an AJCC system map that identifies the location of each comprehensive and affiliate AJCC within the Local Area. Define individuals with barriers to employment and describe how the AJCC system will ensure access and priority for services to individuals with barriers to employment. Include a commitment by the AJCC partner(s) to work together to share data and technology. Identify measures and internal control applied to ensure system security. Include a commitment to comply with the confidentiality provisions of the respective statutes of the AJCC partner(s). |

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| | <ul style="list-style-type: none"> • Describe how the AJCC system will provide measures to promote non-discrimination and equal opportunity. • Describe the AJCC system grievance procedures. • Include a commitment that the AJCC partner(s) and locations will comply with ADA physical and programmatic access requirements. • Include a commitment that the AJCC partner(s) will promote capacity building and professional development for staff in order to increase awareness and understanding of serving individuals with barriers to employment and individuals with disabilities. |
| <p>Duration of MOU</p> <p>WIOA Section 121(c)(2)(A)(v)</p> <p>Describe the duration of the MOU 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.</p> | <ul style="list-style-type: none"> • Identify the effective dates of the MOU. • Include an assurance to review the MOU at least every three years. • Describe the procedures established to revise and modify the MOU. • Describe the procedures established to terminate the MOU. |

| Recommended MOU Provision | Optional Sections to include in the MOU |
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| Administration and Operations Management | <ul style="list-style-type: none"> • Describe management operations, including site supervision and day to day operations. • Describe how the AJCC system will engage in media releases and communication. • Describe the AJCC system policy and procedures regarding hold harmless, indemnification, and liability. • Describe how the AJCC system will handle dispute resolution. |
| <p style="text-align: center;"><u>Phase II</u> June 30, 2017</p> | |
| MOU Provisions Required under WIOA Section 121 (c) | Corresponding Information Needed |
| <p>Funding of Services and Operating Costs</p> <p>WIOA Section 121(c)(2)(A)(ii)</p> <p>Describe how the costs of such services and the operating costs of such system will be funded, including the following:</p> <p>(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.</p> <p>(II) Funding of the infrastructure costs of One-Stop centers in accordance with subsection (h).</p> | <ul style="list-style-type: none"> • Identify the AJCC system operating and infrastructure costs. • Describe how shared operating and infrastructure costs will be funded by the AJCC partner(s). • Describe the cash and in-kind contributions used to fund shared operating and infrastructure costs. • Identify the amount to be contributed by the AJCC partner(s) through the cost sharing agreement. • Include an assurance that AJCC proportionate fund contributions were calculated in accordance with Title 2 CFR Part 200. • Describe the process that will be used to periodically review and adjust shared costs so that they continue to be proportionate and equitable to the benefit received by the AJCC partner(s). |

- [Unemployment Insurance Program Letter 20-15](#): Unemployment Insurance and the WIOA of 2014

Frequently Asked Questions

As the MOU process continues to unfold and further guidance becomes available, the EDD will issue a set of MOU Frequently Asked Questions (FAQS). These FAQs will be located on the EDD website at the following link: [WIOA FAQs](#)

ACTION

Bring this guidance to the attention of all concerned parties.

INQUIRIES

If you have any questions regarding this directive, contact Robin Purdy at Robin.Purdy@cwdb.ca.gov or 916-657-1474.

Please direct all other questions to your assigned [Regional Advisor](#).

/S/ JOSÉ LUIS MÁRQUEZ, Chief
Central Office Workforce Services Division

Attachment is available on the internet:

1. [Sample MOU](#)
2. [Sample Timeline](#)
3. [AJCC Partner Matrix](#)
4. [Summary of Comments](#)