

SOP 19-03
Memoranda of Understanding (MOU) and Shared Infrastructure
Costs Policy
Standard Operating Procedures
Grow Southwest Indiana Region 11
Approval Date: 06/28/2019

Purpose

To provide guidance to Indiana workforce development boards (WDBs), Chief Elected Officials (CEOs), and all one-stop partners regarding the establishment of a local Memoranda of Understanding (MOU) and infrastructure/additional costs sharing between one-stop partners. The MOU is between local WDBs and all Workforce Innovation and Opportunity Act (WIOA) required one-stop partners to jointly support the costs associated with local one-stop centers and one-stop delivery systems.

Rescission

- DWD Memorandum, Memoranda of Understanding and Shared Infrastructure Costs, April 15, 2016
- DWD Policy 2016-08, Local Agreement Regarding One-Stop Infrastructure and Additional Cost Funding, February 7, 2017.
- SOP 16-09 Memoranda of Understanding (MOU) and Shared Infrastructure Costs Policy, 05/27/2016

Content

Definitions

Comprehensive One-Stop Center

- a. A comprehensive one-stop center is a physical location where job seeker and employer customers can access the programs, services, and activities of all required one-stop partners. A comprehensive one-stop center must have at least one Title I staff person physically present.
- b. The comprehensive one-stop center must provide:
 1. Career services, described in WIOA sec. 134(c)(2)
 2. Access to training services described in 20 CFR 680.200
 3. Access to any employment and training activities carried out under WIOA sec. 134(d)

4. Access to programs and activities carried out by one-stop partners listed in 20 CFR 678.400 through 678.410 including the Employment Service program authorized under the Wagner-Peyser Act, as amended by WIOA Title III (Wagner-Peyser Act Employment Service program, and
 5. Workforce and labor market information.
- c. Customers must have access to these programs, services, and activities during regular business days at a comprehensive one-stop center

Affiliate One-Stop Center

- a. An affiliated site, or affiliate one-stop center, is a site that makes available to job seekers and employer customers one or more of the one-stop partners' programs, services, and activities. An affiliated site does not need to provide access to every required one-stop partner program. The frequency of program staff's physical presence in the affiliated site will be determined at the local level. Affiliated sites are access points in addition to the comprehensive one-stop center(s) in each local area. If used by local areas as a part of the service delivery strategy, affiliate sites must be implemented in a manner that supplements and enhances customer access to services.
- b. As described in 20 CFE 678.315, Wagner-Peyser Act employment services **cannot** be a stand-alone affiliated site.

Specialized One-Stop Center

Specialized centers address specific needs, including those of dislocated workers, youth, or key industry sectors, or clusters.

Access

“Access” to each partner program and its services means:

- a. Having a program staff member physically present at the one-stop center
- b. Having a staff member from a different partner program physically present at the one-stop appropriately trained to provide information to customers about the programs, services, and activities available through partner programs, or
- c. Making available a direct linkage through technology to program staff who can provide meaningful information or services.
 1. A “direct linkage” means providing direct connection at the one-stop center, within a reasonable time, by phone or through a real-time web-based communication to a program staff member who can provide program information or services to the customer.
 2. A “direct linkage” cannot exclusively be providing a phone number or computer Web site or providing information, pamphlets, or materials.

One-Stop System

The one-stop delivery system brings together workforce development, educational, and other human resource services in a seamless customer-focused service delivery network that enhances access to the programs' services and improves long-term employment outcomes for individuals receiving assistance. One-stop partners administer separately funded programs as a set of integrated streamlined services to customers.

State Funding Mechanism

The formula the State will develop and apply to determine the infrastructure costs of all WIOA required one-stop partners in a local area when one or more partners fail to reach consensus locally.

Background

WIOA requires each Local WDB to develop and finalize an MOU between itself and its WIOA-required partners with the agreement of the CEO for the Local Workforce Development Area (LWDA). The MOU coordinates operation of the local one-stop delivery system, provision of programs and services, and apportionment of costs. The MOU must include two types of funding agreements pertaining to the costs of the local one-stop centers and delivery system in each LWDA: Infrastructure Funding Agreement(s) and Additional Cost Funding Agreements(s), including Career Services.

Memorandum of Understanding

The MOU is an agreement between the local WDB and all required partners and is a product of good-faith local discussion and negotiation. Pursuant to WIOA, the MOU may take the form of a single umbrella document among all the partners, individual agreements, or a hybrid between the board and two or more partners. To accommodate individual partner needs/requests, Region 11 selects the individual agreement model. The US Department of Labor (DOL) encourages States and local areas to use umbrella MOUs to facilitate transparent, flexible agreements that are not burdensome, so that partner may focus upon service delivery.

WIOA Required One-Stop Partners

Required one-stop partners include:

- Program authorized under the Wagner-Peyser (29 U.S.C. 49 et seq.)
- Activities authorized under chapter 2 of Title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.)
- Jobs for Veterans State Grants programs authorized under Chapter 41 of title 38 of the U.S.C.
- Programs authorized under State Unemployment compensation (or Unemployment Insurance) laws (in accordance with applicable federal law)
- Vocational Rehabilitation programs authorized under Title I of the Rehabilitation Act of 1973 (29 U.S.C. et seq.), other than Section 112 or Part C of title of such Act (29 U.S.C. 732,741)
- Temporary Assistance for Needy Families (TANF) activities authorized under Part A of Title IV of the Social Security Act (42 U.S.C. 601 et seq.), subject to subparagraph C
- Programs authorized under Title I of WIOA, including:
 - Adults

- Dislocated workers
- Youth
- Job Corps
- YouthBuild
- Native American programs
- Migrant and Seasonal Farmworker programs
- Adult Education and Literacy activities authorized under Title II of WIOA
- The Senior Community Service Employment Program (SCSEP) authorized under Title V of the Older Americans Act (42 U.S.C. 3056 et seq.)
- Postsecondary career and technical education programs authorized under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.)
- Employment and training activities carried out under the Community Services Block Grant Act (42 U.S.C. 9901 et seq.)
- Employment and training activities carried out by the Department of Housing and Urban Development, and
- Programs authorized under Section 212 of the Second Chance Act of 2007 (42 U.S.C. 17532).

Additional programs and entities that carry out activities as part of the one-stop delivery system may be included as one-stop partners with the approval of the WDB and CEO. All partners, including additional partners, must be identified in the MOU and funding agreements. All one-stop partners shall negotiate funding agreement with WDBs through their respective governing entities as specified by federal and/or law.

State partner responsibilities are outlined below:

The ***Indiana Department of Workforce Development (DWD)*** is responsible for negotiating funding agreements with local WDBs pertaining to:

- Trade Adjustment Assistance Act authorized under the Trade Act
- Wagner-Peyser Act employment services
- Veterans programs
- Unemployment Insurance

The ***Indiana Department of Family and Social Services (FSSA)*** is responsible for negotiating funding agreements with WDBs pertaining to:

- Temporary Assistance for needy Families (TANF) – Division of Family Resources (DFR)
- Vocational Rehabilitation (VR) services – Division of Disability and Rehabilitative Services (DDRS)

The ***Indiana Housing and Community Development Authority*** is responsible for negotiating funding agreements with WDBs pertaining to employment and training activities carried out under the Community Services Block Grant Act.

Roles and Responsibilities

Local Workforce Development Boards. Local WDBs shall be responsible for the following:

- Consulting with DWD, as needed, in the development of this guidance.
- Acting as the convener for the purpose of negotiating the MOU and funding agreements
- Ensuring the one-stop partners adhere to all applicable guidance
- Working with the one-stop partners to achieve consensus and informally mediate any possible conflict or disagreements
- Providing technical assistance to new one-stop partners and local grant recipients to ensure they are informed and knowledgeable of the elements contained in the MOU and funding agreement
- Developing a local one-stop center operating budget as a starting point for the negotiations
- Ensuring the negotiations include an agreed-upon budget and methodology for allocating infrastructure and additional costs between all partners
- Ensuring allocation methodology complies with the Uniform Guidance and is based on proportionate use and benefit received by each partner program
- Ensuring that all infrastructure and additional costs are paid according to the provisions of the MOU, and
- Informing DWD if there is an impasse.

One-Stop Partners. Each one-stop partner in the local workforce area shall be responsible for the following:

- Designating an individual(s) to act on its behalf in the negotiations, if applicable
- Acting in good faith to negotiate infrastructure and additional costs in accordance with this guidance, and
- Entering into the local MOU and attached funding agreements.

Department of Workforce Development. DWD shall be responsible for the following:

- Providing guidance and technical assistance to each WDB and partners throughout the MOU, infrastructure, and additional cost negotiation process, and
- Requesting monthly progress updates from the local WDBs.

Governor/Governor's Workforce Cabinet. The Governor/Governor's Workforce Cabinet (GWC) shall be responsible for the following:

- Consulting with DWD, as needed, in the development of this guidance, and
- Developing the formula to be used by DWD under the State funding mechanism to determine a local one-stop center's operating budget (if not agreed upon locally or rejected) and determine each partner's contribution to infrastructure costs of the local one-stop centers.

Required MOU Provisions

DWD has designed a sample MOU template; however, a different format may be used if all required information is included. The MOU must at a minimum contain the following provisions:

- A description of the collective mission of the partners
- 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 and which one stop partner will provide the service. Each local area must provide, as a part of its MOU, a Career Services Matrix; the Career Services Matrix format could be different as long as the required information is included in the matrix. Required information includes IF and HOW services are delivered by each partner.
- Agreement on funding the shared costs of the services and the operating costs of the system including:
 - Funding of infrastructure costs of one-stop center in accordance with 20 CFR 678.700 through 678.755, and
 - Funding of the shared services and operating costs of the one-stop delivery system described in 20 CFR 678.760.
- Methods for referring individuals between the one-stop operators and partners for appropriate services and activities
- Methods to ensure that the needs of workers, youth, and individuals with barriers to employment, including individuals with disabilities, are addressed in providing access to services, including access to technology and materials that are available through the one-stop delivery system
- The duration of the MOU and procedures for amending it, and
- Assurances that each MOU will be reviewed (and amended if substantial changes have occurred), not less than once every 3-year period to ensure appropriate funding and delivery of services. The final approved one-stop operating budget, which encompasses the infrastructure/additional costs funding agreements, will be incorporated annually into the MOU through amendment procedure specified in the MOU.

The MOU may contain any other provisions agreed to by the parties consistent with WIOA Title I, the authorizing statues and regulations of one-stop partner programs, and the WIOA regulations.

When fully executed, the MOU must contain the signatures of the Local WDB, one-stop partner, the CEO(s), and the time period in which the agreement is effective. The local WDB designates the Executive Director as signatory for the WDB. The MOU must be updated not less than every three years to reflect any changes in the signatory official of the WDB, one-stop partners, and CEOs, or one-stop infrastructure funding.

If a one-stop partner appeal to the State regarding infrastructure costs, using the process described 20 CFR 678. 750, results in a change to the one-stop partner's infrastructure cost contributions, the MOU must be updated to reflect the final one-stop partner infrastructure cost contributions.

One-Stop Center Operating Budget

WIOA requires a local one-stop center operating budget (the Operating Budget). The Operating Budget is a financial plan within which one-stop partners, CEOs, and the local WDB in each LWDA will agree to each partner's contribution to certain costs. The one-stop Partners, CEOs, and the local WDB will use the Operating Budget to determine each partner's contribution to certain costs contained within the Operating Budget. The Operating Budget serves as the "master budget" and contains a set of individual budgets or components consisting of costs that are specifically identified in WIOA – infrastructure and additional costs. The Operating Budget may include separate budgets for each comprehensive, affiliate, or specialized center.

Funding Agreements

Once the Operating Budget is established and agreed upon by the local WDB and all one-stop partners, negotiations of partner contributions towards infrastructure and additional costs of local one-stop centers will convene.

- **Relative Benefit Received by Required Partners.** Required partners, including those not co-located at the one-stop centers, receive benefits, at a minimum, through common identifiers and referrals. Therefore, required partners must contribute to allocated costs associated with those benefits received.
- **Infrastructure Funding Agreement.** WIOA requires the agreed-upon contributions towards infrastructure costs by each one-stop partner to be memorialized in an IFA between the local WDB, all WIOA-required one-stop partners, and any additional partners. For the purpose of affiliated and specialized centers, only the local WDB and those partners participating in the operation of that center are required to enter into the IFA for that particular center.
- **Additional Cost Funding Agreement.** The agreed upon contributions by each partner towards additional costs will be memorialized in an Additional Cost Agreement and attached to the MOU.

All funding agreements will be products of good faith local discussion and negotiation between the partners. Each required one-stop partner will contribute to the infrastructure and additional cost of local one-stop centers and the one-stop delivery system based on the program's proportionate use and benefit received, consistent with the Uniform Guidance. Local WDBs and one-stop partners may define their own methodology to determine contribution amounts, so long as it is based on the partner's proportionate use, benefits received, and is consistent with the Uniform Guidance and WIOA regulations.

Infrastructure Costs

Each partner that carries out a program or an activity as part of the one-stop delivery system will use a portion of the funds available for the program or activity to contribute to the infrastructure

costs of local one-stop centers based on their proportional use relative to the benefit received by the partner through their participation in the local one-stop center. Each partner's contribution will adhere to that partner program's Federal authorizing statute and to the Federal Cost Principles requiring that costs are reasonable, necessary, and allocable. WIOA specifies infrastructure costs of local one-stop centers as non-personnel costs that are necessary for the general operation of the local one-stop center. Each local area will complete the Operating Budget Template. Local one-stop center infrastructure costs include, but are not limited to:

- Facility rental
- Utilities
- Facility maintenance
- Property insurance
- Security services
- Equipment and technology
- Common identifier costs

Required partners who are located offsite may use a different allocation base to determine their contribution. Offsite partners need to determine "relative benefit" when allocating infrastructure costs. It could be true that these offsite partners may not contribute to every infrastructure line item if there is no relative benefit received. For example, an offsite partner may not receive a benefit from the water bill' whereas there would be a benefit for signage or common identifiers that reference that partner's programs and services. In this example, the offsite partner would not contribute to the utility line item but would help with costs for signage and common identifiers. The contribution would be negotiated during the MOU process and would be based upon an agreed relative benefit.

Additional Costs

Each partner that carries out a program or an activity as part of the one-stop delivery system should use a portion of the funds available for the program or activity to contribute to the additional (non-infrastructure) costs of the local one-stop centers based on their proportional use relative to the benefit received by the partner through their participation in the one-stop delivery system. Additional costs must include applicable career services (identified in the WIOA regulation at 20 CFR 678.430) and may include shared operating costs and shared services that are necessary for the general operation of the local one-stop center. Each partner's contribution must adhere to that partner program's Federal authorizing statute and to the Federal Cost Principles requiring that costs are reasonable, necessary, and allocable.

Career service costs will be allocated only to those partners responsible for providing the service. These amounts will be reflected within the MOU and Operating Budget to show each partner's contribution. Required partners must contribute to additional costs. Additional partners are encouraged, but are not required, to contribute to additional costs. Share service costs may include:

- Initial intake
- Assessment of needs
- Appraisal of basic skills
- Identification of appropriate services to meet such needs

- Referrals to other one-stop partners
- Integration and streamlining of services, including business services, customer satisfaction measurement, and Resource Room materials and staff
- WDB staff functions not otherwise paid using WIOA Title I funds that support the general operations of the local one-stop centers

Types of Funds a One-Stop Partner May Use to make Infrastructure and Additional Cost Contributions

Infrastructure and additional costs can be funded through cash, non-cash, and third-party in-kind contributions, and may include any funding from philanthropic organizations, other private entities, or other alternative financing options. Funding must be stable and equitable. The one-stop partner's proportionate share must be calculated in accordance with the Uniform Guidance based upon a reasonable cost allocation methodology whereby infrastructure and additional costs are charged in proportion to use of the local one-stop center/system relative to the benefit received. Costs must also be allowable, reasonable, necessary, and allocable.

Examples of Reasonable Infrastructure and Additional Cost Allocation Methodologies

Examples of reasonable cost allocation methodologies for infrastructure costs may include using:

- a partner's square footage footprint within a local one-stop center
- number of full-time equivalents (FTEs) available to a local one-stop center
- number of clients served by the partner within the one-stop delivery system, and/or
- a combination of each of these.
- Alternatively, a minimum square footage or FTE for non-co-located partner could be used if this methodology appropriately represents the relative benefit received.

Time Extension and Impasse

Extension of Time. If the local WDB and a one-stop partner(s) do not believe they will be able to reach an agreement on appropriate levels of infrastructure cost funding contributions on or before July 1st of each year, the WDB may request an extension of time (form provided), so long as the WDB can demonstrate they have made sufficient progress toward reaching an agreement. The request must be submitted to DWD at policy@dwd.in.gov on or before June 1st of each year. Upon review of the extension request, DWD will allow a time extension of up to sixty (60) days for the WDB to continue negotiations and reach an agreement on infrastructure cost contributions. DWD will provide technical assistance as requested by the WDB.

Note: For Program Year (PY) 2019 only, the deadline for submission is extended to October 1, 2019, with an extension period of up to thirty (30) days upon request (form provided).

Impasse. If the WDB is unable to reach an agreement on the funding of infrastructure costs with all partners on or before July 1st of each year (or after the applicable extension of time deadline, if granted), the WDB or affected partner must notify DWD that an agreement cannot be reached

(form provided). Once notified, the Governor must administer the State funding formula to determine the appropriated share of infrastructure contributions for all partner for the program year impacted.

Review and Reconciliation

Periodic Review. Each Operating Budget and funding agreement shall be reviewed bi-annually and reconciled against actual costs incurred to ensure that costs charge to any one-stop partner are proportionate to the use of the local one-stop center and one-stop delivery system and relative to the benefit received by the one-stop partner. If any significant changes to the funding agreements are required following the bi-annual review, the WDB must reconvene all partners to reach an agreement on the necessary budget and/or allocation changes. If there is disagreement between partner to accommodate for these changes, the WDB or affected partner will contact DWD at policy@dwd.in.gov for assistance. Any change not deemed significant may be charged to each partner so long a there is an agreement between the partners to do so. Local areas must notify the partners to do so. Local areas must notify DWD upon completion of the reconciliation process.

Annual Re-Negotiation. Each Operating Budget and funding agreement will be fully reviewed and re-negotiated on an annual basis.

Modification

A form is provided for use each time the MOU and/or the Operating Budget and funding agreement are modified. Amendments must be signed by all partners.

Effective Date

Immediately

Attachment C



REQUEST FOR EXTENSION OF TIME¹⁶

Local Workforce Development Area: _____

Local Workforce Development Board Contact Person: _____

Contact's Phone Number: _____

Contact's Email Address: _____

Notice is hereby provided that the local WDB and each one-stop partner(s) have made progress towards reaching agreement on funding infrastructure costs; however, agreement will not be reached on or before July 1, _____ and the local WDB is requesting an extension of time to continue negotiations and reach an agreement.

Please describe the local WDB's progress in reaching agreement on infrastructure costs thus far:

Please explain why the local WDB does not believe it will be able to reach an agreement on or before July 1, _____:

How much additional time is the local WDB requesting to reach an agreement?: _____

Does the local WDB need technical assistance from DWD to reach an agreement? If so, please describe assistance needed:

Signature

Printed Name

Chair, Local Workforce Development Board

Printed Name

¹⁶ Please note that for PY2019 only, agreements are to be reached on or before October 1, 2019, with up to a 30 day extension.

Attachment D



REPORT OF OUTCOMES FROM LOCAL INFRASTRUCTURE FUNDING AGREEMENT NEGOTIATIONS

Local Workforce Development Area: _____

Local Workforce Development Board Contact Person: _____

Contact's Phone Number: _____

Contact's Email Address: _____

Notice is hereby provided as required by 20 CFR 678.725 that, despite every effort, the required partner(s) in this local area did not reach consensus on a local Infrastructure Funding Agreement for the period beginning July 1, _____. The inability to reach agreement was because one or more required partners do not agree with how local one-stop center infrastructure costs will be funded. Listed below are the program partner(s) that did not agree to the Infrastructure Funding Agreement.

Program Partner Name	Reasons for Failure to Agree
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	

Signature

Printed Name

Chair, Local Workforce Development Board

Printed Name

Partner:

Printed Name

Partner:

Printed Name

Partner:

Printed Name

Attachment E

AMENDMENT SHEET SAMPLE MOU Amendments / Annual One-Stop Operating Budgets and Funding Agreements

MEMORANDUM OF UNDERSTANDING
BETWEEN
[Name of WDB]
AND
WIOA Local Required Partners

Amendment # _____

Pursuant to the Workforce Innovation and Opportunity Act (WIOA) of 2014, the signatories are the Parties to the Memorandum of Understanding (MOU) for integrated delivery of federally-funded workforce services in Indiana Local Workforce Development Area (LWDA) # _____, effective _____, 2019. In accordance with Section ___ of the MOU, the Parties hereby mutually agree to this Amendment # _____, which is set out in its entirety as follows:

1. **SAMPLE:** Section(s) # _____ of the MOU are hereby revised and replaced with amended Section(s) # _____ as provided in Attachment _____ of this Amendment # _____.
2. **SAMPLE:** The PY__ Operating Budget/Funding Agreements are hereby replaced with PY__ Operating Budget/Funding Agreements as provided in Attachment ___ of this Amendment # _____.
3. All terms and conditions of the MOU other than those expressly modified by this Amendment # _____ shall remain in full force and effect as written. In the event of conflict, this Amendment # _____ shall prevail.

The Parties have executed this Amendment # _____ on the date of last signature.

[INSERT REQUIRED SIGNATURES, PRINTED NAME, DATE, ETC. FOR ALL PARTIES]