**WorkforceGPS**

**Transcript of Webinar**

**Memorandums of Understanding: Part 1, Overview and Development**

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LAURA CASERTANO: And I want to welcome everyone to today's memorandums of understanding part one webinar, and I'm going to turn things over to your moderator today, Charlotte Harris. She's a workforce analyst for the Office of Workforce Investment. Charlotte?

CHARLOTTE HARRIS: Thanks, Laura. Good afternoon, everyone. I'm Charlotte Harris from the Department of Labor, and I work in the Employment and Training Administration. And I'm joined by my colleague out of our regional office in Philadelphia, Jennifer Friedman. One of the best parts of this presentation will be our later guest from the great state of Illinois who I will introduce later. They will be sharing with you their process for negotiating their MOUs. But as we go on this afternoon, go over the objectives.

The objectives today are just to provide an overview on the development of the MOU to include MOU negotiations, discuss the purpose, the elements, and the modification process for the MOU, and to share strategies from state and local workforce agencies. And we'll review some of the upcoming technical assistance webinars that are coming up.

OK. First, starting with the intent of the MOU and the negotiations, what we want to do, the department expects of course the local areas to use the collaborative and good-faith approach to negotiations and encourage all of these entities to work together in developing an MOU that demonstrates the spirit and intent of WIOA. We want to know how can we make this the best operation possible to serve our customer through our shared customer base. So that's the intent of the negotiation, to be collaborative and in good faith as we move on to implement this integrated workforce system.

Before we move on, we're going to just review a quick poll. This poll was up when you joined, and we want to see where it is. If you have not had the opportunity to vote on this poll, do so at this time. And the question is, how would you describe your organization's current relationship with the required partners outlined in WIOA? And as you vote, you know the creation of an MOU requires the participation and cooperation of multiple partners. So we want to do this quick poll just to see where you are in your partner relationships.

It looks like the majority, 62, 63 percent have selected option two, we have a strong relationship with some required partners and are working on developing partnerships with others. And the last one, we are at the beginning stages; that's our lowest one, 4 percent, which is good. We want to get it down lower, but it's good to see that there are strong relationships with some of the required ones, and you are working together. So that's good as we move forward. OK.

OK. This is MOU part one, and as you know or may know, there's a second part to this which we'll get into details on the state funding mechanism and the local funding mechanism but that won't be until May 31st. But this first part is about developing and talking about the purpose of your MOU. Excuse me.

The purpose of the MOU of course is to establish the roles and responsibilities of the local workforce board, the CEO, and the One-Stop partner as it relates to managing the American Job Center network. Basically, how do we plan to make our workforce system work? And as we know, each area is different. This MOU is how we come together to determine or establish our roles and responsibilities so that we run a seamless and effective system.

I'm going to just go over three strategies or three quick points in initially negotiating the MOU, and the first one talks about introduce negotiations with a strong, joint cross-agency vision or mission statement. As you come to negotiate, one of the first things that should happen is identifying your shared vision or shared mission. Do you have a written vision or mission statement already? This should set up the backdrop and set the tone for how you're going to begin your negotiations.

The next one are the components of your MOU. The MOU should not be created in a vacuum. It should be connected to something that's already in place. When you're coming to negotiate, tie it back to the goals and objectives stated in your local plan or your state plan. Again, this is not created in a vacuum. You should connect everything back to the joint plan that you created or established or, as you're in the process of modifying it, to make sure that your MOU is connected to these goals.

And another point to consider when negotiating your MOU is to carefully analyze the business and jobseekers' needs in your area, and again, based on the location and demographic, the needs of your business and jobseeker customers will be different. As a partnership, the needs of the shared customer base will also be different.

The skillsets of your shared customers, what are they? Are they high skill, middle skill, or low skill? You have to identify that and make sure you consider that when negotiating the MOU. As far as your employer base, what are their skill needs? What kind of talent are they looking for? Are you communicating with your business community to make sure that your plan includes information and strategies for meeting the needs of your area employers?

This is as a reminder that all required partners must be included in the MOU. So as you go back and reference the regs which will be listed on our resource page of the slide, all of the required partners must be included in the MOU. And WIOA places great importance on effectively dealing with individuals with barriers to employment. Again, with a shared customer base, look at the different barriers that the jobseekers in your area may be dealing with. It could be a physical disability. It could be a skills disability. It could be all kinds of disabilities. So make sure your partner representation and your MOU factors all of those things in it.

This is just a graph to remind you of all of the required One-Stop partners as identified by statute and spelled out in our regulations. As you see, there are 19 required One-Stop partners that are a part of the One-Stop system and should be a part of your MOU negotiations. And as you guys said earlier on the poll, most of you have strong relationships with your partners and are working to establish them with your other ones.

This is just a reminder. WIOA introduced three new required partners and they were on the previous slide but this was just so you can know. The other ones were already required partners. These three are new required partners. So they will require probably more purposeful or intent negotiations or outreach, if you haven't connected with them before, and that's the Indian and Native American programs, which before was an optional program. Now, it's required. The reentry employment opportunities or opportunities or ex-offenders programs, and YouthBuild. These are now required partners in the American Job Center network.

And as you develop your MOUs, again, you have two types. It's allowed to have – the law allows you to have a separate partner agreement. That means each agency can have a separate MOU with the American Job Center network or with the board, but it's encouraged that you develop umbrella MOUs where all of the partners are included and, as you see here, facilitating transparent and flexible agreements and allows partner programs to focus on service delivery. If you do it together and are working together, it's probably a little more effective to do it as an umbrella – an umbrella unit to make sure all of the partners' needs are being considered and incorporated into the MOU.

Now, I'm going to turn it over to Jennifer who will talk about key elements of the MOU. Jennifer?

JENNIFER FRIEDMAN: Thank you, Charlotte. So before I begin I just want to say a couple important – reemphasize a couple important parts that Charlotte said.

All mandatory partners are to be included in the MOU but included also means inclusion, and as Charlotte described, a couple ways for negotiation, you want to be involving all the partners in the conversation. No one wants to be presented or I don't think it would be a good objective to present someone with an MOU and say sign here. It's also you have to have a conversation, and Charlotte gave three great examples on how to approach that. So keep that in mind as we get ready for the next part after I speak, which is from our special guest from Illinois who are to give some really good examples.

So I'm going to briefly talk about the key elements of the MOU. I will say there is great details on this in TEGL 16-16. We gave out a lot of good guidance this year, and I would really emphasize reading that guidance and using as you move forward with your MOUs and also with your infrastructure funding, but TEGL 16-16 has a lot of what I'm about to talk about. So next slide, please.

So there are several required key elements of the MOU, and this is found as the citation in 20 CFR 678.500, which is the section of the CFR that talks about MOUs. And these are the items they have to have in the MOU, services, description of the services, One-Stop operating budget, the infrastructure funding agreement, referrals, access, duration of the MOU, other contributors, a modification process, signatures, and an appeals process. I'm about to go through each one of these in brief detail. Next slide.

Services. The MOU must include a description of the services provided through the American Job Center network. It must include a description of services which includes methods or means of providing the partner access to the services, the frequency of program staff physical presence in affiliated site, how specialized One-Stop centers, as needed, will be implemented, description of the coordinated deliver of services in the system, and the methods of referring individuals between the One-Stop operators and partners for appropriate services and activities. You have to describe the services of your operating centers so that you know what everyone's agreeing to. Next slide.

The One-Stop operating budget. The One-Stop operating budget is your financial plan. Obviously, your MOU has to describe how you're going to pay for the services and how you're going to pay for your operation costs as well as the career services. You may consider one master budget that contains the seven individual budgets or components. It must be agreed upon by all One-Stop partners and your local workforce development board and will be used to achieve the MOU's goals of delivering services in a local area.

The One-Stop operating budget is the financial plan that the One-Stop partners and the local workforce development board agree will be used to achieve the MOU's goals in delivering services in a local area. If you don't have agreement on the budget, you can't have agreement with the MOU services. We're going to talk about the operating budget in the next couple slides. So next slide.

Here we talk about how the One-Stop operating budget contains cost categories that are specifically identified in the statute. These are the two cost categories that must be part of your MOU, infrastructure costs and additional costs. Additional costs include applicable career services and may include operating costs and shared services that are related to the operation of the One-Stop.

While each of these components covers different cost categories, an operating budget will be incomplete if any of these cost categories are omitted, as all the components are necessary to maintain a fully functioning and successful One-Stop delivery system. The budget equals your financial plan, and the next slide sort of goes into that just as a graphic for that. So next slide, please.

You have your One-Stop operating cost. You have your infrastructure costs in one section, your additional costs. You must include applicable career services, and you may include shared operating costs and shared services. This is what your One-Stop operating budget has to look like, and it has to be part of your MOU. We're going to go into detail on the infrastructure costs in the next slide.

Infrastructure Funding Agreement or the IFA contains the infrastructure cost budget that is an integral component of the overall One-Stop operating budget. It is strongly recommended that IFAs be negotiated along with additional costs when developing the operating budget for the local One-Stop system.

And similar to the MOUs, the local workforce development board may negotiate an umbrella IFA or individual IFAs for one or more of its One-Stop centers. IFAs are a mandatory component of the local MOU as described in WIOA and in our regulations in 20 CFR 678.500 and 678.755. We're to keep on going about infrastructure funding agreement in the next slide, please.

So here's some key elements of the infrastructure funding agreement. Has to have an effective period. Should have a cost budget. It should identify all One-Stop partners. Should description of periodic modification and review process, steps to reach consensus, and a dispute resolution process. Of these steps, the last three are particularly important for two reasons.

They are designed to ensure that partners negotiate on a level playing field regarding the infrastructure funding of their One-Stop centers, and they are designed to ensure that partners have established a process to attempt to resolve differences prior to triggering the state funding mechanism. The second part of the webinar, as Charlotte said, will be happening in May. The local and state funding mechanisms will provide much more details on this topic. Next slide, please.

While it's not required by statute, the joint departments consider it essential for the IFAs to include the signatures of individuals with authority to bind the signatories to the IFA, including all One-Stop partners, the CEO, local workforce development board participating in the IFA. Next slide, please.

So this is really the important slide for many people. They want to know the dates, and so using the Department of Labor's transition authority, we have changed the date for the IFAs to be in place from July 1st, 2017 to January 1st, 2018. Funding agreements may be continued to be negotiated as they have been under WIA for PY '16, and as I said, for PY '17 all program years are filed.

IFA must be completed by the date specified by the governor but you do have a January 1st, 2018 date but we encourage states and locals to work for it to have it done as soon as possible, not to wait to the last minute for the January 1st date. So that was talking about the operating budget. Next, we're going to talk about referrals. Next slide, please. Thank you.

Referrals. The MOU must include methods for referrals to appropriate services and activities between the One-Stop operators and partner programs. The next slide.

So after you have your referral, you have to have access. So the MOU must include methods to ensure the needs of all people are addressed in providing access to the services. This includes all workers, all youth, and individuals with barriers to employment, including individuals with disabilities. Next slide.

Duration. How long is the MOU? So we have to include specific provisions specifying how long the duration the MOU is, include assurances the MOU will be reviewed and, if substantial changes have occurred, renewed, and it must be renewed not less than once every three years. So your MOU has to say how long it's going to be, but you have to be renewed not less than once every three years. Next slide, please.

Other contributors. Aside from the mandatory partners, your MOU could include contributions made to the One-Stop system through avenues such as donations made by non-partners or third-party in-kind contributions made to supplement to the operation of American Job Centers. That has to be documented and included in the MOU, if you have those. Next slide, please.

Modification process. The MOU must include a description of the process for amending it. Very simple. You have it in place, and you have to have a process of how you could change it. Next slide.

Signatures. Very important. It has to be signed. The MOU must contain signatures of the CEO, local workforce development board director, and authorized representatives from each partner program. Everyone has to sign on the dotted line. Next slide, please.

Appeals. The MOU must be updated to reflect the final One-Stop partner infrastructure cost contributions, if a One-Stop partner makes an appeal to the state regarding infrastructure cost and that appeal results in a change, the One-Stop partner's infrastructure cost contribution.

If it changes from the original agreement because of the state funding mechanism, you have to have that change resulting in change, it has to be noted in the MOU. And that goes to our next section in the slide, which is modification of the MOU, how to do one and when would you have to. So next slide, please. Sorry. Next slide.

So as I mentioned before, the MOU must contain a description of the procedure for amending it. A renewal of an MOU requires all parties to review and agree all elements of the MOU and resign the MOU. Non-substantive changes to the MOU do not require renewal of the MOU, but substantial changes to MOU require renewal of the MOU.

So if you make substantial changes, you will require renewal. Amendment or modifications of the MOU only requires the parties review and agree to the elements of the MOU that have changed. Updating the MOU does not necessarily require renewal of the MOU. In the next slide we'll talk about when to modify the MOU.

Election of a new CEO. If there's a new CEO in your local area, you have to ensure the newly-elected official is aware of the One-Stop local op – sorry – local One-Stop partners, as well as the terms and conditions of the MOU. Also, as mentioned before, if you have a new Infrastructure Funding Agreement, you have to modify and renew the MOU.

That is my brief overview of the requirements in the MOU, and we're really excited to actually go into the heart of our program which is having – which will be really hearing from your peers and our peers. And so, Charlotte, I'm going to turn it back to you to make the introduction to the next section of the presentation. Thank you.

MS. HARRIS: OK. Thanks, Jennifer. And before I turn it over to Mike and Bethany, I just want to answer just a few questions that came in.

"Is there a sample MOU for YouthBuild programs?" We don't have a sample MOU for YouthBuild specifically, but attached is a comprehensive MOU with a lot of partner programs in it. So you can check that one out.

The next question, "Is special education required partner in the MOU?" The MOU are the required partners listed by section 121(b) in WIOA in the law which requires state VR programs, voc rehab programs and adult education and Perkins to be required One-Stop partners.

And one more before I turn it over. "Is the American Job Center required to co-enroll all YouthBuild participants, or can they pick and choose?" They're not required to co-enroll all YouthBuild programs. That is determined at the local level, and the local level will determine their service delivery strategies.

OK. Now, we're going to move on to our local workforce representatives or state representatives, and as stated in the beginning, we are pleased to have representatives from the great state of Illinois to share their MOU negotiation process. We have Michael Baker from the Illinois Department of Commerce, Office of Employment and Training, and Bethany Jaeger, CPA and Management Consultants in Illinois also with Kerber, Eck, Braeckel. Michael and Bethany, take it away.

MICHAEL BAKER: Well, thank you. Good afternoon, everyone. We're excited to be part of this webinar and process. So hopefully, you'll find it informative. So let me get my mouse in order here. OK.

So we've gone about this hopefully in a thoughtful way and a logical way, and from the very beginning of WIOA implementation began by building a support infrastructure of core partner leadership that would be in position to help deal with all of these implementation issues as we go forward. So we created an interagency work group to deal with all of these issues.

Part of that is because in WIOA the four core partners are housed in four different state agencies and three of those four report to the governor but one does not. So we needed some mechanism for the administrators of that program at the state level to get together to work through the issues.

So very early on the state invited the National Governors' Association to come to Illinois and give both the governor's office and the state board and the program leaders in each of these departments some solid background and policy knowledge of WIOA and workforce development, economic development, and how they all can work together and how these four core partners and the other required partners are going to have to work together going forward.

So once those leaders had a good solid understanding of where the new law was taking us and how that was going to be different than how things had worked in the past, they saw the need to pull this group together.

So this interagency work group gets together at least once monthly to deal with implementation issues and more frequently, if the need arises. And essentially, we handle all technical assistance and problem-solving issues that are brought forward by the local boards, any local partners, and we also are trying to stay ahead of the game by reviewing the TEGLs that come out.

We reviewed the Final Rule and trying to figure out, OK, how does that guidance from the federal level, how is that going to impact how all the partners operate and how they integrate services? And so we try to provide leadership to the partners across the regions in the state on how they can best implement WIOA in a way that's as pain free as possible but most importantly as most effective and efficient for our customers.

So after a year of trying this we have I think got a pretty good handle on it, but we see the need that we have to expand the knowledge base beyond this oracle of leaders from the state agencies. So we've created some technical assistance teams, and Bethany's going to go into some detail on that later.

But the idea is at this point we've created some online FAQs for each region to use as a resource, but we are also trying to push down the first point of contact for the interagency work group and the local partners to a middle level so that there are more people that know as much about the program as those on the interagency work group do and we can hopefully get our technical assistance and our guidance and our leadership as close to the local area as possible.

BETHANY JAEGER: So, Mike, thank you for that context because the interagency work group has really been critical to developing the governor's guidelines, and the governor's guidelines fulfill a WIOA or WIOA requirement for the governor to issue guidance on the negotiating of costs and services at the local level.

So all of the required partners who are represented on the interagency work group participated in conversations to help develop these governor's guidelines, and all of the state level partners are also the liaisons to the local partners and they help ensure that all the local partners and chief elected officials and other partners receive the guidance and can interpret it for what it means for their programs.

So it's really been a very good collaboration and a flow of communication that has worked very well. The link on the screen here shows the link to the governor's guidelines on what we call the public page of a web portal. Anything that relates to the governor's guidelines and other helpful documents, resources are all found in one place online, available to the public for Illinois WIOA implementation.

In Illinois our period of MOU negotiations and budget negotiations actually already ended on April 15th. So the governor's guidelines provided 101 – 105 days starting January 1st to negotiate both the MOUs and the annual budget for cost sharing for PY '17. So we're now entering the time when I say we, I mean the interagency work group – starts to arrange state-level remediation for any areas that have not yet agreed on their MOUs or their annual budgets.

So this remediation period is an attempt to avoid any areas declaring local impasse. And we are happy to report that so far in Illinois about 80 percent of the local areas throughout the state have reached agreement already, and there are only a handful who need the state-level remediation that will start May 1st and will go on for about 30 days in hopes of avoiding that impasse.

What was key to the guidance provided in the governor's guidelines were some key concepts for negotiating MOUs. Again, this is to help avoid impasse and ensure that there – that negotiations a were collaborative and fair and inclusive. So, for example, one thing – one concept that was specified and reemphasized in communications is don't just say you're committed to integration in your MOU. Illustrate it. Demonstrate it. Show us how you are going to go about it.

Another concept was that each required partner designates an individual to participate or to lead the MOU negotiations for that partner, and that individual, that representative has the authority to make the financial and programmatic commitments on behalf of each partner. It doesn't always work perfectly. Sometimes there still needs to be a state-level commitment rather than a local-level commitment, but the good part of the structure that has been built in Illinois is that the interagency work group will help expedite getting that authority to make programmatic and financial commitments at the local level.

The third key concept is that the local board chair can designate the individual who leads MOU negotiations in that local area. And the guidance really emphasizes that for budget negotiations, specifically for how the partners will share costs, that individual should be either a private sector board member or another independent individual who is impartial. So again, creating that fair playing field for all required partners involved in the negotiations.

And then to help illustrate each required partner's programmatic commitments, the MOU in Illinois, we, as part of the governor's guidelines, issued an MOU template. That MOU template includes what has been called a career services matrix. I'd like to show you an example of what this means. The career services matrix is just part of the MOU template, and it's where each required partner checks the applicable career services that it will provide in each comprehensive One-Stop center and that's authorized under its law.

So it's really we hope user friendly to just check the boxes where your program will provide career services in the comprehensive One-Stop center. The career services matrix is split into basic career services, individualized career services, and follow-up services. So on this screen you see the same check boxes for the individualized and follow-up career services, and the career services matrix is aligned with a corresponding description of those commitments in the narrative of the MOU.

So in the narrative of the MOU every single required partner has to describe which career services they will provide and how they will provide them, and then their information is supplemented by this matrix that demonstrates the how and the what they will provide. So it really helps them be more specific and helps document each required partner's commitments.

There are also in the governor's guidelines some key concepts for negotiating specifically infrastructure and shared service delivery system costs. So these specific to negotiating shared costs, the first one is that the effective date of infrastructure funding in Illinois is remaining July 1, 2017.

The interagency work group has opted not to take advantage of the postponement of the effective date of infrastructure costs, partially because the interagency work group thought that the coupling the effective date of infrastructure funding requirements from the effective date of the MOUs, that would add unnecessary complexity and complications to the negotiations because they are so integrated and intertwined. And also in Illinois the state funding mechanism and the infrastructure needed there is in place. There's no reason to delay it from a logistical standpoint.

The second key concept for negotiating shared costs in Illinois is that the preferred allocation methodology expressed in the governor's guidelines is full-time equivalents or FTEs. So while FTEs remain the preferred methodology, local areas still have the flexibility to use alternative cost allocation methodologies as long as all the partners agree and as long as they comply with the uniform administrative requirements, cost principles, and audit requirements for federal awards.

Another key concept is that it's emphasized over and over again – we over-communicate that the state funding mechanism is a last resort. We want to provide zero incentive for not agreeing, and it's become pretty well-known that the state funding mechanism is not something that can be – we are always consistently framing it as a last resort.

And number four, to alleviate the issue of required partners being unable to provide full-time staff presence on site, the governor's guidelines also allow for the One-Stop operators to be a source of providing staff who can be cross-trained in providing other partners' program services.

And then lastly, the guidelines emphasize three ways the required partners can meet their cost sharing obligations under the local funding mechanism when they all agree, and so that is providing the cash, non-cash, and third-party in-kind contributions. So, for example, instead of paying a cash contribution, one required partner can provide a non-cash contribution of say joint training or a customer satisfaction survey.

Both promote service integration, and as long as three things happen, it's fine. Those three things are, one, all partners have to agree to it and, two, the joint training and customer satisfaction survey offset the amount that the partner would have paid otherwise in cash and then third, the joint training and customer satisfaction survey has to be fairly valued and all the partners have to agree to that value.

So the governor's guidelines really are intended to be the One-Stop or the go-to source for trying to navigate the negotiations of costs and services. So we provide in the governor's guidelines the mandatory MOU template and the mandatory infrastructure funding agreement spreadsheet, and we also provide other resources such as timelines, glossaries, and, for example, other definitions of direct linkage requirements in Illinois. So they're all available electronically. They're all part of the governor's guidelines, but they're also all available on that public page of the WIOA implementation portal that I mentioned earlier.

MR. BAKER: OK. Thank you, Bethany. As an individual that was involved in reviewing local MOUs under WIA, I can tell you the greatest aggravation with that was everybody did it slightly differently, and all the materials were in the documents in a different place. So having learned from that experience, one of our goals for MOUs under the new program was standardization.

That makes it easier for us to provide technical assistance to the field, and it makes it easier for peer networking among the local partners across the different local areas to help each other out and figure out, okay. You had this situation. How did your MOU handle it? And they can find some common ground that way much more easily than they could before. In fact, I don't know that they ever could have before.

So we created a couple of templates, and these are available online for anybody to go look at, to help guide the local partners both into being in compliance with the act but also in providing the info that they will need to ensure that all the key elements are present in the MOU so they all have a basis for understanding their role that they're going to play and what their responsibilities are and how they are going to all work together to fund the service delivery of career services in the local area.

So if you look on the slide, here's just a small excerpt of our template, and we reference the appropriate section of the act, the rules, and the governor's guidelines. And then we provide a series of questions and dot point issues that they need to respond to, and we are very forward with them in saying you need to respond to all of these to be in compliance. So we're really trying to show them the roadmap or provide the roadmap to them that, if they follow these dot points and follow the framework, they are almost assuredly going to be in compliance.

So this is a standardized budget template, and as Bethany mentioned, we are using an FTE cost allocation method as our primary and recommended method of doing that. That doesn't limit the partners from doing something different, but again, in trying to provide ease of technical assistance and a methodology that seems to work regardless of the center or the partners involved, this seems to be a very solid way to do it.

And in our experience, the fewer types of cost allocations you're using on a single MOU, the less complex it is, which means there's less chance of confusion and less chance of disagreement and less chance of somebody realizing something at the last minute is not what they thought it was. So you're all free to do whatever you want to do there, but in our experience we're trying to keep it as simple as possible because, believe me. This is a very complex process just by its very nature. So whatever we can do to help streamline the process, we're trying to do it.

I know this is probably too small for you all to read, but what we have here is a list of the four core partners and the state agencies where they reside and then the other required partners below that and then a few columns where they indicate the number of FTEs that each partner is contributing to the operation of the One-Stop.

And then we have a few extra columns that, if a partner cannot provide staff for whatever reason, one of their peer partners, one of their compadres in the local area could be cross-trained to provide those services. So we want to see, if you're going to go that route, who is going to be providing those services for you, and what is the equivalent FTE associated with that. And then over on the right-hand side of this sheet there's a column that totals up all these FTEs by program.

OK. Then here's where it gets down to the nitty gritty. This spreadsheet is linked to the one prior, and there's a row across the top, if you can see my cursor, where the number of FTEs per partner are filled in automatically from the prior sheet. Then in this yellow column each – the negotiating team enters the total amount of the shared cost by category. So here we have infrastructure cost and various categories of infrastructure cost, and then down below in the bottom part of the spreadsheet we have system delivery cost. So let's stick with infrastructure for a moment.

So in this part of the spreadsheet that has to determine, OK, here's the total shared lease cost for the facility for all of this, and they would enter that total in this column. And then based on FTEs, that cost is distributed across all of the partners based on the number of FTEs. So the more FTEs they have, the more they pay. OK. And then there are other rows in here where they account for how they're going to cover that cost either through a cash or non-cash contributions.

But again, the idea here was under WIA the methodology used – at the time we had 26 local workforce areas. There were 26 different methodologies, and trying to keep track of all those and help folks through that was a bit of a nightmare. So by standardizing the spreadsheet, now the interagency review team can go quickly and see where the important data is at. And more importantly, it helps us with ease of comparing how the different local areas are doing and seeing where there are common issues or where there might be outlier issues that are popping up.

And just to give everyone some context, we have the 22 now local workforce areas across the state, and in linking that with our regionalism approach, we have 10 economic development regions. So the technical assistance teams that we have developed work on a regional basis and across local workforce areas.

So we're trying to, both as part of our review process for MOUs but also in how we're providing technical assistance, trying to reinforce the concept of regionalism and getting the local workforce areas and local workforce boards to work cooperatively as much as possible. And I'll hand it over to Bethany now. She'll tell you a little bit more about our technical assistance piece.

MS. JAEGER: So one of the ways that we have helped try to avoid impasse is providing technical assistance during the actual negotiations, and one vehicle for doing this, as Mike said, is the state technical assistance teams. We call them STATs for short. They are basically a liaison to the interagency work group, and they help raise any red flags before it's too late or before impasse is inevitable.

They also help expedite the solutions during the negotiations. So the way that it's set up, if you remember the map Mike just showed you, there is one STAT or one team per economic development region. And each STAT is comprised of the core partner representatives, and they involve other required partners, as needed. They essentially monitor the progress of the MOU negotiations as well as the infrastructure funding agreement negotiations, and again, they raise those red flags to interagency work groups so that, if any state-level intervention is needed sooner rather than later, they can expedite that process.

Another way that we help provide technical assistance during the actual negotiations are through what we also call WIOA Wednesday webinars. So in Illinois at 10:00 o'clock on Wednesdays is a regular time that information such as this can be presented to all of the local partners and state-level partners so they get consistent information.

And then also, after every single Wednesday webinar we generate an MOU FAQ or a frequently asked questions that identifies the questions that were asked during the webinars or at any other time and provides a consistent answer that, again, is approved through the interagency work group for consistency and accuracy.

And especially if it's a program-specific question, we run it by the interagency work group members to get that program-specific response. And it serves as an ongoing resource that is available online to the public on that same WIOA implementation portal, and it is updated frequently.

And Mike actually will now talk about some technical assistance provided after negotiations are over, which is actually where Illinois is at this point in time.

MR. BAKER: So we'll start off by talking about how this worked last year. Last year there were three local areas that identified that they could not come to an agreement on their own, and so the interagency work group sent a team to work with each of those local areas and the partners there. And all these were resolved within a matter of days.

One example. There was a disagreement on the cost allocation methodology. But in sitting down with folks we were able to explain to everybody how it needs to work, and it was essentially a misunderstanding or a miscommunication.

So they were able to resolve it there. In another example there was a third-party lease holder of the facility that controlled the cost of the space, and one of the partners was worried that they were paying too much because a different partner had moved three more people in and was using up more of the space and the lease wasn't being adjusted to account for that. Well, the local area, they had the idea that, well, the lease holder, which happened to be another state agency, won't agree to any changes.

Well, the reality was they hadn't been contacted to be informed that there needed to be a change. So through the interagency work group and having that other state agency be part of that conversation, it was a matter of just turning that over to the right people at the agency and allowing them to work through that and come to an agreement. So fortunately, that was a very simple fix, but the local area saw that as an insurmountable obstacle to coming to an agreement.

So it's just an example of how this interagency work group tries to be a problem solver or an ombudsman kind of role for the local partners whenever they run into trouble or they perceive that they run into trouble.

Throughout the process so far this year we've run into some common themes. Ironically, one of the issues has been getting all of the partners to the table. However, most frequently that's one of the federal program – one of the national programs that we've had difficulty contacting or the local areas have had difficulty contacting, even to find out who is supposed to be involved and who is supposed to participate and sign the MOU when the time comes. So we've been able to work through that as well.

We have one or two local areas that still are kind of clinging to the idea of, hey, we can just give everybody an invoice and tell them what they owe and everything will be just fine. And so as that has come to light, we've had to remind them, no. It doesn't work that way. It's all local agreement. So someone brought up the idea earlier of is there a special MOU for a particular program. We had that issue arise here where one agency wanted to do their own MOU with the local workforce board, and we had to remind them.

It's like, no, it doesn't work that way. This is a single MOU, an umbrella MOU among all the partners where all the partners are agreeing to how the services are going to be provided and how the costs are going to be shared. So in reality it's really just a matter of helping people who never got the message to begin with or never fully understood the message to begin with to bring them up to speed on what their responsibilities are, what their requirements are, and what their limitations are.

And also, it's encouraging the partners that have not been part of this kind of negotiation before, to encourage them to speak up during that negotiation process. We had a few partners agree to sign an MOU and then kind of whine about it afterwards and say, well, we didn't really like that, but we knew we had to sign it. It's like, well, that was part – that's why we had the negotiation, folks.

So we're encouraging them to exercise their voice, and if there's something they don't understand or something they fundamentally don't agree to in the process, going along and just to get along and sign it at the end of the day is not helpful because we want everybody to be a full-blown partner in this and have their hearts in what it is they're agreeing to. So we want to make sure that they understand it and agree to it.

OK. One of the things also that we hit last year was simply the timing, a timing issue. The Final Rules were issued the very same week our MOUs were due to be turned in to the state. So we went through a very frenzied read-through of the Final Rules and realized that we can't put off reviewing these MOUs until we have the review of the program rules completed. So we went ahead and said, OK, this is going to be a one-year MOU.

We're going to implement this based on the draft rules, and we will revisit all of these next year after the Final Rules and any other additional guidance from VC has been distributed to the rest of the nation. So that's kind of where we're at, where we've gone through the Final Rule process. We've looked at the TEGLs that have come out, and we've provided updated guidance to the local areas based on the latest and greatest guidance.

OK. So that's it for our presentation. We'd be happy to take any questions, if anybody has any.

MS. HARRIS: OK. Give us a few minutes. We're going to move aside and look at some of the questions that have come in and look at answering some of these questions. OK.

MS. CASERTANO: And great. And while they do that, definitely don't hesitate to ask more questions. Type it right into that box, the Q&A box in the bottom. Also a reminder that a copy of the PowerPoint – you can find a copy of the PowerPoint on WorkforceGPS as well as the transcript and recording of today's webinar in about two business days.

And great. We're getting a lot of questions in. So keep them coming.

MS. HARRIS: OK. Mike and Bethany, you can go with 20 and 21.

MR. BAKER: Back to us. OK.

MS. JAEGER: So the question was, "Aside from FTEs, what cost allocation methodologies are being used for partners that are not on site in Illinois?" We have had some use square footage just for those who are on site. Mike, did you recall one other that was being used based on the value of an FTE rather than the count of FTEs? It was the value of the FTEs?

MR. BAKER: Right. We provided for direct linkage as a way of a partner providing services without physically being in the center. So the idea is that they look to see what is the FTE equivalent of the availability of staff that could provide services through direct linkage?

So if you've got a statewide call center or a web-based staff that operates a chat room perhaps or some sort of technologically based method of interacting with clients, if that is staffed the full amount of hours that the office is open, then that's one FTE, but it's just provided through direct linkage. So that is one of the ways that we provide for that.

MS. JAEGER: And the number – that relates to the second question of number 21. "How are infrastructure costs allocated for partners who do not have a physical presence in the center?" If you recall the FTE calculation spreadsheet that Mike showed you, there is a column for calculating the number of FTEs that will provide services on site or through cross-training, but there's also a column for FTEs that will provide services through direct linkage technology.

And the way that it works flowing through the cost allocation spreadsheet is that those numbers of FTEs who are providing on site or off site are counted towards your cost allocation for – so it's – even if they're providing if off site, they're contributing to the cost of operating that One-Stop center because that's how their services are being provided in that comprehensive One-Stop center.

MS. HARRIS: OK. Thank you. There was a question – there are a lot of questions about partner roles and responsibilities as it relates to the One-Stop and who are the required partners. Section 121(b) of the law of WIOA identifies all of the required and additional partners. For the required partners that are carrying out programs in the local areas, then all of the requirements related to One-Stop partners are applicable to that partner.

If the partner is not carrying out a program in the local area, if there's not a – for example, a Native American program in a certain local area, then they're not required to be in the MOU. What it goes back is – to is that the partners carrying out a program or activity that's listed in its grant, its contract, or program requirement, if your grant or contract says that you will be providing services in a local area, then you're required to be a partner in that local area and all of the partner requirements apply to you. But the list of the required partners are established by statute in section 121(b).

I was going to say, Mike and Bethany, there was a question about – 19, whether they could get your spreadsheet.

MS. JAEGER: Yeah. So I keep mentioning we call it in Illinois the WIOA implementation portal, and there is a link that we could provide in some way to you. It is available online, and it just is a fillable version of an Excel spreadsheet that you could see. I think Mike will try to provide you with the link. It is open to the public. You don't need a password.

MR. BAKER: OK. The link I've put into the presenter chatroom for publishing over to the group takes you to our WIOA implementation page and, if you follow that link, there is another link to resources and documents and all of these documents are provided there. And Bethany also had a link to it in one of the slides in the presentation. So it's there also.

MS. HARRIS: Mike and Bethany, there was a question about the governor's remediation in Illinois, what was included in that. Can you guys clarify a little bit?

MR. BAKER: Pitchforks and torches. No. That just means that we set the expectation up with the local boards and the local partners that they need to come to an agreement on their own, but if they can't, we set up 30 days of remediation in case they could not. And so the expectation there is, if they have told us and they provided us a report that says, yeah, we're in agreement or, no, we're not, that the interagency work group is going to meet with the partners in the local area and help them figure out a solution.

So the remediation really is determined by the situation in each of the local areas. In some of these it's simply a misunderstanding or a miscommunication that can be resolved very quickly, maybe through a phone call. In other cases there may be issues that are more involved that require a face-to-face where the team goes out.

MS. JAEGER: I'd also add that each – like Mike said, it is individualized to each circumstance, but it's formed of the representatives of the core partners. And if another required partner is involved in one of the issues that could lead to impasse, then that partner is also brought in. And it's truly a state-level team that goes in and has the communications with them and, if needed, will go to them even in person to try to address the issue.

And there's a little bit of a structure put to it so that at the end of the period that we have, a report so that we know how things ended up and where they are. And we know by May 15th this year whether any will be in impasse – or May 30th this year whether any will be at impasse, and we are doing everything possible to try to avoid that.

MR. BAKER: But we do a formal letter to them to let them know that, okay. You've indicated you were not in agreement. We will be coming out. Here's when and just to get them ready to be involved and participate in the process.

MS. JAEGER: And one more thing. The state technical assistance teams who have been working with these local areas and these local partners throughout the negotiation process are also going to support the state-level partners who are coming in during this remediation period so that you have that institutional knowledge of the issue as well as the state representative who hopefully can expedite the solution.

MR. BAKER: Yeah. And going forward it may be possible for the state teams to actually conduct maybe the first phase of these kinds of interventions when necessary, but at this point in time we weren't quite comfortable turning it over to them just because they haven't been formed all that long ago. But it's certainly something that's on the horizon.

And also I'd like to point out we didn't really address this, but there's not a statewide MOU in Illinois. The partners on the interagency work group have agreed basically on a handshake and with the direction of the governor's office to come together and work on these things cooperatively. And the number of issues that have come across the desk of this work group are quite varied and numerous, and the group has always worked professionally together and has figured out a way to resolve whatever the issue or question before them has been.

So we're trying to set an example to the regions and local areas and the local boards and the partners that, yeah. This is difficult work sometimes but if we all work together cooperatively, there is a way out of whatever issue that comes up and at the end of the day we want to make sure everyone's providing the best possible services to our participants and clients.

MS. FRIEDMAN: So this is Jennifer. We've received a question that said, "Who is responsible for initiating the MOU?" And I'm actually – I don't like to do this, but this one I think is really important. I'm going to read right from the guidance. So, "The MOU is a product of local discussion and negotiation. The local workforce development board, with agreement of the CEO, develops and enters into a signed MOU with the One-Stop partners as described above." And that's straight from our guidance in TEGL 16-16. So I hope that addresses that question.

MS. HARRIS: OK. And there's another question that said, "Is there any requirement that a One-Stop partner include a designated number of staff at any given location?" No. No. The only requirement is that a Title I person must be at your comprehensive center and a physical one there, but everything else is negotiated by the partners.

And Mike and Bethany will take this question and then one more because we have a couple other things to do. Mike and Bethany, could you tell us more about the involvement of Title IV voc rehab in the MOU process?

MS. JAEGER: They are a core partner, and they are a required partner as well. And it's been the expectation from the beginning that they are just like every other core and required partner is that they participate in negotiations from the beginning.

MR. BAKER: Yeah. I mean, they have been participating at the state level with the state interagency work group and they are also on – they have representation on the regional STAT technical assistance teams and they are working in cooperation with the local workforce boards in how they are implementing the act and how they are providing services in the One-Stops.

MS. JAEGER: Yeah. They've been a very good and strong and engaged partner the entire time.

MR. BAKER: Yeah.

MS. HARRIS: That's good. That's good because at the convening I heard mixed areas on that, but a lot of them were working really good together. So that's good to hear that they've been a strong partner with you guys in negotiating.

Mike and Bethany, do you have any other things you want to cover before we move to the next part? Any other thing you thought about you think would be good for the group?

MR. BAKER: I just say from the state level you've got to be a leader and help your local areas through this messy work, but that's pretty much it.

MS. HARRIS: OK. Well, thank you so much, and of course as we get more questions and we'll see them, we'll get them to you and see if we can get some responses on specific things. But your guys' contact information is here as well so if people want to reach out to you, they can. OK. Can you turn to the next slide? After that. OK.

We just wanted just to talk just a little bit about the sample MOU that's attached to your document. This was a document that was worked on jointly by our partners, by Department of Education, Department of Labor, and our folks at Health and Human Services working on this together to give a comprehensive document of a sample MOU with infrastructure costs and toolkit. We hope you've had a chance to at least download it and look at it, and over time you will be getting more information about how to use it.

We know it's a big document and this particular webinar wasn't set up to go through that but to let you know it's available to use it and it can answer a lot of the questions that came up today. And there's a spreadsheet in there that allows you also to look at different cost methodologies for your One-Stop. So that's another tool for you to use. Again, it's a reference guide or a toolkit that you can use for developing your own, and it shows the budget, allocation, and all those things, how they are laid out in a sample IFA or Infrastructure Funding Agreement. Next, please.

And as you see here, there's a disclaimer here that just says the cost allocation analysis there shouldn't replace local negotiations or supplant your laws. This is just giving you an example of how it could be and what it could look like. And you're not required to use this format, but this gives you something to use, if you don't have one or you're looking at modifying what you already have. OK.

And again, just disclaimer language. Just letting you know that the language in there doesn't necessarily constitute compliance and cannot substitute for developing documents based on your own local area. But again, some of it can work, but again, you have to do it based on the needs of your local area.

It's an open source document, and the toolkit, it can be – you can reproduce it. You can share it, but you can't sell it. It can't be reproduced for a fee. As you see here, it's open source. So feel free to modify and use it as you see fit with your local area. OK.

And just a summary of what we did today. WIOA vision and partner collaboration, talking about services in the MOU needing to be tailored to the needs of regional employers through examples in your local area and your MOU should primary focus on effective strategies to serve your community and it should be transparent, efficient, and, if we're looking at integrated service delivery, should eliminate a lot of duplication that occurs in our system. OK.

These are some of the guidance that we referred to earlier. TEGL 16-16 is the One-Stop operations guidance for the American Job Center network, and the other one, 17-16, is infrastructure funding guidance for the One-Stop delivery system.

Some upcoming technical assistance still to come. On May 4th you see there there is a deep dive into the competitive selection of your One-Stop operators, and as a reminder, your One-Stop operators should be in place by July 1st. That middle one – oh, the integrated service delivery one, that date is being rescheduled, but the last one, May 31st, that's a deeper dive or a discussion on the cost parts of the MOU.

So make sure you save that date. This is where we would talk about the infrastructure costs. We would talk about local and state funding mechanisms, and it's going to be done jointly. So put that on your calendar. Get ready for your questions. Go through the MOU sample that's attached and just come to us prepared to hear more information about that.

MS. FRIEDMAN: And I also add for that one really important to read the guidance before that one as well. The infrastructure guidance is pretty – (inaudible).

MS. HARRIS: OK. Thanks, Jennifer. Well, that concludes our webinar for today. I want to thank Jennifer and Mike and Bethany for participating and providing a lot of information, and I hope it was helpful to you out in the workforce world on starting your negotiations or modifying them and coming together to do it as a workforce system.

We thank you, and we look forward to continue opportunities to serve you. Thank you.

(END)