

Development of Memoranda of Understanding  
under the Workforce Investment Act  
CONSIDERATIONS FOR LEOs

May 27, 1999

## 1. Background

The Workforce Investment Act of 1998 (WIA) requires that Workforce Investment Boards (WIBs), with agreement of Local Elected Officials (LEOs), shall develop and enter into memoranda of understanding (MOUs) between the WIB and one-stop partners. According to the Act, MOUs will be primarily concerned with the operation of the one-stop service delivery system in the local area. The Act specifies nineteen required one-stop partners and the possibility of an additional five optional partners in the one-stop system. The intent of one-stop is to streamline access to a range of employment and training services for both employers and job seekers.

Each MOU is required by the Act to contain at a minimum provisions describing:

- a) the services to be provided through the one-stop system;
- b) how the costs of such services and the operating costs of the system will be funded;
- c) the methods for referral of individuals between the one-stop operator and the one-stop partners, for appropriate services and activities; and
- d) the duration of the MOU and the procedures for amending the memorandum during the terms of the memorandum.

Additionally, the WIA Interim Final Rule describes provisions for resolving impasse situations, should parties fail to properly develop and execute an MOU. Conversely, local boards that execute MOUs with all required parties may be eligible for State incentive grants awarded for local coordination.

## 2. Initial Recommendations

The following are a list of principles and recommendations we believe will create a stronger and more effective set of local agreements for the regions and for the TOC area as a whole:

- a) In order to assure good ongoing communication and a shared understanding of the employment and training needs of the community, the Local Elected Officials (LEOs) are encouraged to assume an active role in both the establishment of the Regional WIB and the development of local MOUs.
- b) Requisite one-stop partners on the TOC WIB should be a single representative from each region that TOC has their MOU with who will represent all one-stop partners in that region.

- c) The regulations allow for Regional WIBs to develop a single umbrella MOU covering all partners and the local board, or separate MOUs between each partner and the WIB. We encourage the umbrella approach, with multiple signatures, as the preferred means to facilitate a comprehensive and equitable resolution of the operational issues relevant to the one-stop.
- d) In support of a seamless and coordinated rural service delivery system, we recommend that there be a standardized outline, to the extent appropriate, for all MOUs approved within the 23 county TOC WIA area. One method of promoting compliance while assuring local control would be to stipulate a common framework for all MOUs, with an opportunity for each local area to add language that addresses specific local priorities, interests, and concerns.
- e) The effective working relationships between the TOC WIB and the Regional WIBs will require, at a minimum, agreed upon operating principles. A clear delineation of roles and responsibilities may, at some point, be best expressed through a single partnership agreement enacted between the TOC WIB and the Regional WIBs.

### 3. Recommended Content

It is recommended that the following items be included in each MOU:

#### A) Statement of purpose/mission of the local workforce investment system

This statement may include key principles articulated in the Act:

- 1) streamlining services
- 2) empowering individuals
- 3) universal access
- 4) increased accountability
- 5) strong role for local boards
- 6) state and local flexibility
- 7) improved youth programs
- 8) equitable sharing of information and resources

Local partners may elect to address in greater detail the purpose of the local workforce investment system by adding language specific to their local area.

#### B) Parties to the agreement

This section should list both required and optional one-stop partners who will be involved in the one-stop. In addition, the revenue sources that each of the partners have primary responsibility over should be described in sufficient detail.

Though it may or may not appear in the MOU, we strongly recommend that each local area create an operations committee consisting of one-stop partners who would meet regularly to

discuss and address one-stop issues. (This model is currently in existence in several areas.) The existence of such a committee will enable LEOs to avoid routine involvement in mundane operational discussions involving negotiations, problem resolution, etc.

**C) Responsibilities by individual partners and shared responsibilities**

Such responsibilities could be organized according to administrative and programmatic; core, intensive, and training; according to specific one-stop functions (greeting/intake, resource room, instructional, fiscal, etc.); or in other ways to be determined that promote both personal and shared accountability.

**D) Financing / cost sharing methodology**

The Interim Final Rule provides that the particular arrangements for funding the services provided through the one-stop system and the operating costs of the one-stop system must be described in the MOU. Each partner must contribute a fair share of the operating costs based on the use of the one-stop delivery system by individuals attributed to the partner's program.

**E) Provisions for amendments and modifications to the agreements**

As a living document, MOUs should allow for changes in the environment (funding, state and local economy, customer demand, etc.) that necessitate adjustments to the local one-stop system. Once the one-stop operator (or a consortium that includes three or more required partners) is selected by the Regional WIB and MOUs are extended between the WIB and one-stop partners, the MOUs should allow the local partnership the flexibility to make adjustments as needed.

**F) Provisions for mediation and reconciliation if necessary**

While the WIA Interim Final Rule emphasizes the legal obligation for partners and the local board to negotiate in good faith to reach agreement on the MOUs, impasse situations may occur. The partners and the local board may then seek the assistance of the TOC WIB, appropriate state agencies, the Governor, or the State WIB after exhausting other alternatives. Provisions for this process of attaining resolution should appear in the MOU. In general, we recommend that negotiation and resolution occur at the level closest to the local program.

**G) Period of operation**

Each MOU should specify a beginning and ending date. Given differences between the five year life of WIA and periodic fluctuations in funding, the length of the MOUs are yet to be determined.

**H) Authorized signatures**

All parties to the agreement (see item 3.b above) will identify a signatory official who will be responsible for signing the MOU on behalf of their organization. In signing the MOU on behalf of any given organization, it is understood that the organization as well as the signatory official are committed to honoring the terms of the MOU.

#### **4) Process for Enactment of MOUs**

The Act and Interim Final Rule require that MOUs be executed between the WIBs and the one-stop partners. Neither specify a process; each WIA area, including the 23 county TOC area, must determine how the enactment of MOUs will occur. In order to promote compliance while assuring local control, we recommend the following process for MOU development and approval:

- a) The TOC WIB would develop and approve a standardized set of components of all MOUs, likely to include items 3.a-h above.
- b) Regional WIBs would then be required to develop, approve locally, and forward to the TOC WIB for approval all local MOUs that relate to WIA and one-stop operation. MOUs would contain at a minimum all of the components required by the WIB. Other additional components may be submitted as part of the local MOU development process.
- c) The TOC WIB, after conducting a technical and fiduciary review of local MOUs, would then exercise its authority under the Act to approve or require modifications to local MOUs on behalf of the WIA area.

The review and approval process will require meetings of the cognizant bodies involved. One model currently under discussion proposes that the TOC WIB meet quarterly in January, April, July and October of every year. An Administrative or Joint Policy Committee, as a subset of the TOC WIB and TOC Board, would meet during the months just prior to the TOC WIB meetings, December, March, June and September. The body through which MOU approval occurs at the TOC WIB level is yet to be determined. Regional WIBs would meet monthly. This proposed schedule could be modified as needed to accommodate any start-up time frames indicated by WIA implementation.

#### **5) The TOC WIB / Local Board Interface**

The Act requires that each WIA area establish a Workforce Investment Board, and the 23 county TOC area is in the process of establishing a WIB that meets the letter of the law. As part of that process, Regional WIBs will be established that conduct the specific business of local workforce regions. The conditions and terms of the interface between the TOC WIB and the Regional WIBs will substantially influence the utility and effectiveness of local MOUs.

The relationship between the TOC WIB and the Regional WIBs will be explored through a separate policy paper and addressed through separate partnership agreements.

presently delivered under JTPA. The model that we have discussed internally would have money coming from DOL, to the state, through TOC to the Regional Grant Recipients designated by the LEOs for their region.

Option-1: selection of a single regional Grant Recipient for the receipt and dispersal of funds from the TOC-WIB, who also serves as the One Stop Operator for the delivery of workforce and related services; Or,

Option-2: selection of a single regional Grant Recipient for the receipt and dispersal of funds from the TOC-WIB, and multiple One Stop Operators for the delivery of workforce and related services.

**Recommendation:** Adopt Option-1; requiring the designation of one regional Grant Recipient, who also serves as the One-Stop provider with responsibility to receive and disperse resources under the direction of the LEOs and Regional-WIB.

With the concurrence of Local Elected Officials, Regional Workforce Investment Boards will have the following responsibilities and authority:

- a. Development and approval of regional five (5) year strategic plans including:
  - i) regional vision, strategies, goals and policy that are in conformity with federal and state law and regulation and policy intent, and are within the broad strategies, goals and policy of the TOC-WIB;
  - ii) Equitable allocation of funds based on a formula detailed within the five (5) year strategic plan;
- b. Review, pass and monitor a regional budget;
- c. Select Grant recipient and One-Stop Operator(s), see issue above;
- d. Establishment of regional youth council(s) or defer this role to the TOC-WIB;
- e. Coordination and oversight for regional workforce activities, including:
  - i) Timely review and evaluation of regional workforce related programs, resources and activities;
  - ii) Implementation of regional Quality Assurance programs designed to increase the capability, productivity or efficiency of regional programs while assuring program and fiduciary compliance and accountability;
- f. Development of partnerships related to workforce, economic and community development;
- g. Negotiate and enforce Memorandums of Understanding (MOUs) between One-Stop and Workforce partners;
- h. Identification and certification of local training and service providers;
- i. Request technical assistance, facilitation, arbitration and dispute resolution from The Oregon Consortium Workforce Investment Board;
- j. Strengthen partnerships with employers and others.

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