**Washington DC Workforce System Memorandum of Understanding (MOU) Phase II Webinar**

**Transcript**

**Monday, November 20, 2017**

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**Transcribed by:**

**BRITTANY HICKS**
Good morning everyone and welcome. My name is Brittany Hicks and I am with Thomas P. Miller & Associates. We are running the technical support for this webinar. If you have any issues or are having trouble hearing or seeing the presentation, feel free to put something in the chat box so I can help you as soon possible. With that, I will pass it to Lauren Scott.

**LAUREN SCOTT**
Good morning everyone. Greetings from the WIC! We have David Shinder with us this morning who everyone, or at least some of your colleagues, met last week or the week before last when we had our in-person meeting. He is going to guide us through the webinar today, and we will open it up at the end for questions. Go ahead and take it away David!

**DAVID SHINDER**

Thank you Lauren and good morning everyone. I see in the list of attendees some people I know like Brian and Michelle, as well as some people I do not know and am looking forward to knowing. The purpose of our webinar today is simple. We are talking about our Memorandum of Understanding Phase II process. That is, as some of you know the portion of our WIOA, or Workforce Innovation and Opportunity Act, the memorandum of understanding that deals with resource sharing.

I am just going to park on here on our cover slide for a moment and kind of recap, if you’ll allow me, for a couple of minutes where we’ve been. In doing so, I think that sets the stage for what we are going to discuss today and where we are going.

In the early summer months of this year, we sat down and had individual discussions with each of the WIOA American Job Center partners, and those are the local organizations and agencies within the district that operate any of sixteen federally-mandated partner programs that range from TANF to Housing Employment and Training to Job Corps to Disability Services and others. As a result of those meetings, we developed what we refer to as Phase I of the MOU, and that is the narrative describing the ways we intend to, at least initially, collaborate and cooperate around building a shared service delivery system for customers that we have in common. In preparing our Phase I MOU, we left a placeholder, which we called at that time a \*\*\*\*, and this is the place within the MOU that we intend to insert information about resource sharing.

We kicked off what we would refer to as our MOU Phase II activities on the second week of November by holding a meeting at the WIC facility for all of the partners, and many of the organizations on the phone today were also represented at that meeting. During the call today, I’m going to spend a good portion of the next fifteen or twenty minutes recapping what we discussed at that November 9th meeting, and for those of you that were there, I think it’ll be a good reminder or review, and for those of you who weren’t there, I think it will be a good introduction of Phase II and what we intend to accomplish. Then we are going to talk a little bit about how to best prepare for our Phase II discussions. As we mentioned and explained during the November 9 meeting, it is the intention of the WIC, in partnership with its AFO and our newly contracted One Stop Operator, to sit down and have individual meetings with each of the partners to discuss resource sharing and the development of content around these Resource Sharing Agreements.

With that, let’s dig into the slide presentation. As I said, this slide presentation is about 50% a recap of what we discussed during the November 9 meeting. About the first ten slides have the header Key Points/Summary of our November 9 discussion.

To set the stage once again for what we are talking about, our Federal Workforce Innovation and Opportunity Act (WIOA) legislation requires that local boards develop Memorandums of Understanding, or MOUs, with all of the required Once Stop or AJC partners present within the local area. There is a list of partners that includes 19 federal programs, but early on, we determined that only 16 of those programs are currently present in the district, so that is the number of partners within the district. Remember, when we talk about partners, we are talking about a program or a fund stream. For instance, WIOA Title I Adult Programs is one partner. Title I Dislocated Worker programs is one partner. Title III Wagner-Peyser program is one partner. We know that on the ground, in the District of Columbia, the Department of Employment Services (DOES) is the agency where these partner programs are housed. We do not have sixteen different agencies that are functioning as partners; we have about half as many. We have eight organizations that manage the sixteen programs.

To continue on, the expectation is that our MOUs will do two things. First, they will be a functional tool for us to describe how we are going to cooperate or indicate how we will share resources. But it is also intended to be a visionary plan for how the WIC Board and all of the partners will work together to ultimately create a unified service delivery system that best meets the needs of shared customers within the district. As we discussed very candidly for those who were present on November 9, and during discussions we had earlier in the year around Phase I MOUs, we at the WIC see the evolution of our partnership as one that will continue over time. We are at an early stage of our system development. That does not imply for a minute that each of the partners are at an early stage of their development, rather we know the opposite to be true, that we have robust, effective, detailed service delivery systems in place. However, they are currently operating in some cases in silos, or two or three partners are working together very closely, but not with other partners. As we continue to work together, we will use the MOU as a tool to help evolve and strengthen our partnership. It will largely be our new One Stop Operator who will be guiding those discussions.

With regard to MOUs and the provision of resource sharing or financial support, there are two sides to this in SIOA. WIOA talks about the partners contributing to the infrastructure of American Job Centers, or AJCs, or sometimes we just call them Once Stops, for an infrastructure funding agreement, and also to the extent that there is benefit to other system services. We will do a little breakdown of that in just a moment.

Let’s focus for a minute on infrastructure. Under WIOA, each partner that carries out a program or activities within the AJC must use a portion of the funds to help maintain the Once Stop delivery system, including a proportional payment of infrastructure costs. The IFA budgets include, but are not limited to, all non-personnel costs, and may cover such things such as rent, utilities and maintenance, equipment, technology, and what we call non-marketing common identifier expenses. The way that we determine which partners are going to be contributing to the infrastructure of the centers is through an identification of where they receive benefit. One of the things that is communicated by WIOA is that partners that are physically co-located inside the partners whether in full or part-time are considered to receive a direct benefit that is allocable, and therefore must contribute their proportionate share towards the infrastructure costs. Partners that are not physically co-located in the center may also receive some benefit from the AJC system. However, that benefit must be clearly allocable by way of reliable data and a cost methodology that demonstrates partner’s usage and benefit. One of the things we discussed on November 9 is that it is very likely at this particular juncture at this current stage of evolution, that if you are no co-located inside of a center, that you would not be contributing to the infrastructure. Now in the future, we may have data that suggests something different, but at present, it looks like co-located partners are ones that will be contributing to the IFA or Infrastructure Funding Agreement.

Let’s talk about proportionate share. After creating an IFA for each center or, optionally, for the whole network of centers (which are four for the District), and determining if benefit is received by each partner (by virtue of co-location), the local Board must select a methodology for allocating costs. A cost allocation methodology identifies the proportionate share of infrastructure costs each partner will be expected to contribute.

As we discussed on November 9, there is a number of ways the District can approach this. Examples would include the proportion of a partner’s program occupancy percentage of the AJC, or square footage (how many square feet are available and which partners occupy what percentage of that). Another way would be a proportion of a partner’s customers who use the center in comparison to all customers served by the AJC. You could also use a proportion of staff or the percentage of a partner’s use of equipment, etc. One of the decisions that will be made in the near future is *what is the cost allocation methodology?*

Another important thing we discussed on our November 9 meeting that will be important to your thinking about resource sharing is that AJC partners may provide cash or non-cash (in-kind) and third-party in-kind contributions to cover their proportionate share of infrastructure costs. Third-party in-kind contributions would be those made on behalf of the partner by another organization.

If non-cash or in-kind contributions are used, they cannot include non-infrastructure costs. When we are talking about the Infrastructure Funding Agreement, we cannot use things that are non-infrastructure, such as personnel, to stand as in-kind. The other thing to be aware of is that any in-kind must be valued consistent with the Uniform Guidance Section 200.306 to ensure they are fairly evaluated and meet the partner’s proportionate share, and that is discussed in the Joint Final Rule Section 678.720.

As I started out saying, with regard to resource sharing under the MOU, there are two sides. One is the Infrastructure Funding Agreement. The other side is Other System Costs. Besides the rent, maintenance, equipment, etc., the things that are really the infrastructure of the center, there are other costs of the center. These fall into two categories: applicable career services and other shared services that are agreed to by the partners. AJC partners must use a portion of the funds made available under their authorizing federal statute to pay the additional costs relating to the operation of the One Stop, and again these can be cash or non-cash contributions. We will dig a little deeper into that.

The other system cost budget must include applicable career services, and may include any other shared services that are authorized for and commonly provided by the partner programs for any individuals. These can be things such as intake, assessment, appraisal of basic skills, identification of appropriate services, referrals, and business services. Shared operating costs may also include costs related to Local Board functions. We will look at some other examples of other shared costs that we might agree to a little later.

That concludes the recap of what we discussed on November 9. That was a short recap, but it gives you a flavor of what we discussed at that time. I want to get into now what each partner can do and what is going to precede these individual discussions about cost sharing.

The first thing that needs to happen before cost-sharing discussions can take place has to do with the Infrastructure Funding Agreement. DC WIC and its AFO will work with the Department of Employment Services to determine infrastructure costs of each One Stop or AJC. Then, based on those discussions, the second point of decision-making will be around whether or not the Infrastructure Funding Agreement should be developed on a center by center basis for each of the four centers (the comprehensive center and the three affiliates) or whether it should be done on a system-wide basis (which would encompass all of the centers in the District). Those are decisions that need to be made prior to having any discussion on the partners’ contributions to those agreements. We can only have a discussion on the proportionate share once we know what the total is.

These are really the steps to prepare for individual partner IFA discussions, so if you want to think of entering into discussions around the Infrastructure Funding Agreement, we’d want to identify each partners’ status on co-location, such as who is the organization or its representatives; whether they are co-located on a full or part-time basis inside of a center (which doesn’t mean popping in for 30 minutes twice a month to stand in front of an orientation group; that is not really co-location or occupying the same space); determine the partners that benefit based on co-location defined on an allocation methodology (again, this is something we expect the DC WIC, its AFO, the One Stop Operator, and DOES will be involved in that discussion); and then, during individual discussions, determine a partner share and apply that to the budget. That would be the amount that the partner would provide resources for.

After the discussions on infrastructure funding, the discussions will then move to partner contributions for other system costs. While we said that, under the Infrastructure Funding Agreement, this could be either done on a center-by-center basis (where the infrastructure costs are evaluated for each center) or done as a system. When we talk about other system costs, which call into the categories of applicable career services or other shared costs, this is a consolidated budget. This is a system budget. It includes a line item for each applicable career service. The Phase I MOU identified those services, but I am going to spend some time on it now.

When we talk about applicable career services, these are services outlined in the WIOA statute. If you want a quick and handy reference, there is a TEGL (Training Employment Guidance Letter) published by the US Department of Labor: TEGL 315. I look at it frequently because it has a good, short enumeration of what the career services are. Again, pursuant to the MOU, partners need to assess where they receive benefit and what their proportionate share would be on both the infrastructure side and on the other systems side. The first of the other system services side are applicable career services, and these include basic career services and individual career services.

Basic career services are those made available to all individuals seeking services in the One Stop. When you think about whether or not your program benefits from this, if you are co-located in the One Stop, there is a great likelihood that they would. This includes things like: determinations of whether the individual is eligible to receive assistance; outreach, intake and orientation; initial assessment of skill levels; labor exchange services; job search and placement assistance; provision of referrals to other programs; provision of workforce and labor market information; information on job skills necessary to obtain a vacant job listed; provision of performance information and program cost information; information about how the local area is performing on accountability measures; information relating to support services; assistance in establishing eligibility for programs of financial aid for training; and provision of information and assistance regarding filing claims under UI programs.

One of the things that might occur to you in looking at this list is that, inside the One Stops, it is largely WIOA Title I programs that are providing these services, along with the WIOA Title III programs funded under Wagner-Peyser. Again, if your program, say the DDS program or another program, were co-located inside of an AJC, you may also benefit from the provision of these services, and therefore you would pay a proportionate share. This is part of the individual discussions that will be occurring with regard to Phase II MOU development.

These applicable career services also include individual career services. These are largely WIOA services, but a co-located partner could also benefit from these, so you need to assess whether or not there is a benefit to your program. These include: comprehensive and specialized assessments outlined under WIOA; the individual employment plan outlined under WIOA; group and individual counseling and mentoring; career planning; short-term pre-vocational services such as workshops; internships and work experience; and workforce preparation such as counseling or workshops, financial literacy, out of area job search, and language acquisition skills. Between the basic and individual career services, we have the composite of applicable career services, which is one of the areas where we should assess where partners should be sharing resources. Again, these resources can be in-kind, cash, or third-party contributions. In the case of other system services, in contrast to infrastructure costs, personnel can be used as a stand-in form of in-kind contribution. Staff who perform services and make up the contribution in part or in full.

Under the MOU, when we talk about resource sharing, we talk about it on two sides. One is infrastructure, and the other is other shared system costs. Other shared system costs break into two large categories. One is applicable career services, which is what we just looked at. These are the basic and individual career services.

The other part of other system costs is something referred to as other shared costs. These are costs that the partners agree to share in as part of creating and maintaining their One Stop system. These are really system costs that the partners say, “Hey, we’re going to share in these costs.” We talk about some of these, not from a cost perspective, but from a coordination and collaboration perspective inside the language of our Phase I MOU. It can be things like where we do intake and basic triage-type assessments or referrals on behalf of the system. Therefore, we agree to support the development and maintenance of a referral and tracking system among the partners. We would agree to that and everyone would put in their proportionate share.

Another area where partners could agree to share costs is around business services, such as developing a local or regional business services team rather than have each partner program do its own business services. It could include things like AJC partner cross training. This is something that we discussed at some length during our Phase I meetings. With only one exception that I recall, the partners were very interested in doing this sort of training, so that agency staff from supervisors to direct services staff would have a better understanding of what the eligibility requirements and content of the various partner programs are so they can make better informed referrals with their customers, leading to co-enrollment and co-case management. There would be a lot to gain from that. That is an area where we have had discussions and included language within our MOU. The cost of the One Stop Operator could also be another shared cost. Within the District, the decision has already been made that the One Stop Operator will be funded by DC WIC. That is a decision that has been made for some time into the future, but this is just an example of a cost that could be shared. Another shared cost would be shared personnel for co-located partners. For example, let’s say the partners at the One Stop, and maybe even partners not co-located, agreed that there would be an information officer who could be the receptionist or someone else at the front desk who would be fully informed about each of the partners’ programs and could be a real driver in terms of referrals of individuals to the right programs and partners.

These are simply examples. There don’t have to be any other shared costs agreed to by the partners, but going back to our individual discussions over the summer, and during the development of the Phase I MOUs, and going back to our very recent discussions on November 9th, it appeared that two of these things among the examples continue to have some resonance with the partners, including the development of a referral and tracking system over time and partner cross-training.

That is basically an overview of information that will help each of the representatives of agencies operating the partner programs prepare for upcoming discussions on resource sharing. So let’s look at some dates that we have identified for completing the MOU.

As you know, we drafted Phase I MOUs, sent those out for comment and edits by the partners, and the majority of those have now come back to DC WIC. We have begun discussions initially through our November 9 meeting and today’s webinar on Phase II. The next step now is to have individual Phase II partner meetings that will take place between each partner organization and the WIC, along with the WIC’s AFO representatives and the One Stop Operator, and it is specifically to discuss contributions to the Infrastructure Funding Agreement, and contributions to other system costs, inclusive of applicable career services and other system costs agreed to by the partners. The target dates set for those meetings by the WIC is the week of December 11. Based on the results of those meetings, resource-sharing budgets will be developed by January 5. By January 8, those will be sent out to all of the partners, and we are looking for those to come back by the 22nd. Based on the comments received, those will be finalized. The WIC staff will then combine the contents of Phase I MOU (the narrative that describes collaboration and coordination), and then turn Attachment C, the Resource Sharing placeholder attachment within the current MOU into a brief narrative and budgets for IFA and other system costs. We will be looking to finalize the MOUs by February 5. We go from meetings to the development of the budgets, and then send those budgets out for review and edits by all of the departments. When those come back, the DC WIC team will put those together. We will then look to distribute those finalized MOUs to each of the partner agencies for execution (approval and signature) by February 5th, and then subsequently the MOUs will go to the WIC for its approval, and then to the Mayor. There are three parties to the MOUs: the partner organization (District department or other agency), the DC WIC with a signature by the chairperson, and then the chief local elected official (in this case, the Mayor of the District of Columbia).

That concludes the content portion of our Phase II MOU discussion. As Lauren said at the beginning, we are available to answer any questions you may have.

In answer to Michelle’s question, we will provide the slides.

I have an additional question for Lauren. Did we get out the November 9th packet to everyone?

**LAUREN SCOTT**
I did not send it to everyone. I can send both of those at the same time.

**DAVID SHINDER**
That’d be great. For some individuals who did not attend the November 9 meeting, I think it will put today’s summary into a better context if everyone can see what we talked about on November 9.

**LAUREN SCOTT**
Yes, I will send both of those.

**DAVID SHINDER**
We have gone a little longer than planned, so if there are no other questions, I would like to thank you for your time. If you have questions later, please direct those to Lauren. If she needs to send any of those to me, I would be happy to help her respond to any questions you may develop in the future.

**LAUREN SCOTT**
Thank you everyone!