



**DISTRICT OF COLUMBIA
WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA)
WORKFORCE IMPLEMENTATION GUIDANCE LETTER (WIGL)**

POLICY & GUIDANCE **INFORMATION & UPDATES**

DATE: November 16, 2018

NO: DC-WIGL-2018-01-WIOA-MOU-RSA

TO: LOCAL WORKFORCE DEVELOPMENT SYSTEM STAKEHOLDERS
AMERICAN JOB CENTERS
DEPARTMENT OF EMPLOYMENT SERVICES (DOES)
OFFICE OF THE STATE SUPERINTENDENT OF EDUCATION (OSSE)
DEPARTMENT ON DISABILITY SERVICES (DDS)
DEPARTMENT OF HUMAN SERVICES (DHS)
DISTRICT OF COLUMBIA HOUSING AUTHORITY (DCHA)
UNIVERSITY OF THE DISTRICT OF COLUMBIA COMMUNITY COLLEGE
(UDC-CC)
YOUTHBUILD PCS
JOB CORPS

FROM: TODD LANG
Executive Director, Workforce Investment Council

SUBJECT: WIOA MEMORANDUM OF UNDERSTANDING & RESOURCE SHARING
AGREEMENTS

1. Purpose.

To provide policy guidance on the Workforce Innovation and Opportunity Act (WIOA) Memoranda of Understanding (MOUs) and Resource Sharing Agreements (RSAs)

2. References.

WIOA Section 121
20 CFR §678, Subpart E
US Department of Labor Training and Employment Guidance Letter (TEGL) 17-16
All Policy Guidance to be housed at <http://dcworks.dc.gov>

3. Definitions.

WIGL – Workforce Implementation Guidance Letter
DCWIC – District of Columbia Workforce Investment Council
DOES – District of Columbia Department of Employment Services
AJC – American Job Center or One Stop Center
LWDA – Local Workforce Development Area





LWDB – Local Workforce Development Board (the DC WIC)

WIA – Workforce Investment Act

WIOA – Workforce Innovation and Opportunity Act

USDOL – United States Department of Labor

R – Revised. When updates are made to WIGL letters, the R will serve as an indicator that a revision has been made, along with a revision number if multiple adjustments are made.

4. Background.

Under WIOA, the MOU serves as a critical mechanism towards ensuring that the roles and responsibilities of the entities involved with District’s workforce system are well-defined and mutually agreed upon for the successful operation of the integrated service delivery system. WIOA requires that an MOU be developed between the Local Workforce Development Board (LWDB), the Chief Local Elected Official(s)(CLEO), and the American Job Center System Partners (Partners). In the District, the DCWIC, the Mayor, and at a minimum, the mandatory American Job Center System Partners, identified in Attachment A, must be members to the WIOA MOUs. An American Job Center System Partner is an entity that carries out programs or activities enumerated in Section 121(b)(1)(B), or those additional partners identified by the local board and chief elected official in accordance with Section 121 (b)(2). Per WIOA Section 121(b)(2)(A), all entities that participate in an area’s workforce delivery system a Partner, whether mandatory or additional, must be a party to a WIOA MOU and must abide by the terms prescribed and by applicable federal, State, and local rules, plans, and policies as applicable and authorized under each Partner’s program and in keeping with federal guidelines. WIOA Section 121(b)(1)(A)(iv) further notes that the requirements of each Partner’s authorizing legislation must continue to apply under the workforce system and that participation in the system is in addition to other requirements applicable to each Partner’s program under each authorizing law.

The operating budget of American Job Centers is the financial plan to achieve the goals of delivering services in a local area, and the Resource Sharing Agreement (RSA) is a key component of a WIOA MOU because it establishes the terms and conditions of how the shared costs of operations and key services of the American Job Center system will be funded. It consist of costs that are specifically identified in the statute: infrastructure costs, defined in WIOA sec. 121(h)(4); and additional costs, which must include applicable career services and may include shared operating costs and shared services that are related to the operation of the one-stop delivery system but do not constitute infrastructure costs. These additional costs are described in WIOA sec. 121(i). USDOL TEGL 17-16 Attachment IV provides a diagram illustrating the organization of one-stop operating costs. All of the Partners shall negotiate in good faith and seek to establish RSAs that are equitable.

The one-stop operating budget must be periodically reconciled against actual costs incurred and adjusted accordingly. This reconciliation ensures that the budget reflects a cost allocation methodology that demonstrates how infrastructure costs are charged to each partner in proportion to the partner’s use of the one-stop center and relative benefit

received. The one-stop operating budget may be further refined by the one-stop partners, as needed, to assist in tracking their contributions. It may be necessary at times to separate the budget of a comprehensive one-stop center from a specialized one-stop center or an affiliate one-stop center.

5. Guidance. **Infrastructure Costs**

Infrastructure costs of one-stop centers are non-personnel costs that are necessary for the general operation of the one-stop center, including: rental of the facilities; utilities and maintenance; equipment (including assessment-related products and assistive technology for individuals with disabilities); and technology to facilitate access to the one-stop center, including technology used for the center's planning and outreach activities. Common identifier costs may also be included.

Consistent with 20 CFR 678.755, 34 CFR 361.755, and 34 CFR 463.755, IFAs must include the following elements:

- The period of time in which the IFA is effective (which may be a different time period than the duration of the MOU);
- Identification of the infrastructure costs budget, which is a component of the one-stop operating budget;
- Identification of all one-stop partners, CEO(s), and the Local WDB participating in the IFA;
- A description of the periodic modification and review process to ensure equitable benefit among one-stop partners;
- Information on the steps the Local WDB, CEO(s), and one-stop partners used to reach consensus or the assurance that the local area followed the SFM process; and
- A description of the process to be used among partners to resolve issues related to infrastructure funding during the MOU duration period when consensus cannot be reached.

Additional Costs

Additional costs of the local AJC system includes:

- ***Applicable Career Services*** – The services identified in WIOA Section 134(c)(2) that are delivered by the AJC-required partners and consist of: basic career services: individualized career services and follow-up services.
- ***Other Shared Costs*** – These include the costs of services that are authorized for and may be commonly provided through the one-stop partner programs to any individual, such as initial intake, assessment of needs, appraisal of basic skills,



identification of appropriate services to meet such needs, referrals to other one-stop partners, and business services.

Allocation Methodology

The specific methodologies used to allocate costs among the one-stop partners are not prescribed in WIOA, its implementing regulations, the Uniform Guidance, or in this joint policy guidance. Each local one-stop delivery system is unique and presents a different set of circumstances within which costs are allocated. Rather, when developing the local MOU, Local WDBs and partner agencies may choose from any number of methods, provided they are consistent with WIOA, its implementing regulations, and the Uniform Guidance, including the Federal Cost Principles. In selecting methodologies used to allocate costs, Local WDBs and one-stop partners may also consider whether it is necessary to allocate costs by each one-stop center separately. For instance, the budget for operating an affiliate one-stop center may be less than the operating budget for a comprehensive one-stop center because the affiliate one-stop center includes one or more, but not all, one-stop partner programs. General criteria that should be used in selecting an allocation methodology are provided in USDOL TEGL 17-16.

Funding Mechanisms

Infrastructure costs are funded either through the local funding mechanism described in § 678.715 or through the State funding mechanism described in § 678.730. In the local funding mechanism, the DCWIC, CLEO, and Partners agree to the amounts and methods of calculating the amounts that each partner will contribute for one-stop infrastructure funding, including the infrastructure funding terms in the MOU, and sign the MOU.

The local funding mechanism must meet all of the following requirements:

- The infrastructure costs are funded through cash and fairly evaluated non-cash and third-party in-kind partner contributions and include any funding from philanthropic organizations or other private entities, or through other alternative financing options, to provide a stable and equitable funding stream for ongoing one-stop delivery system operations;
- Contributions must be negotiated between one-stop partners, chief elected officials, and the Local WDB and the amount to be contributed must be included in the MOU;
- The one-stop partner program's proportionate share of funding must be calculated in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR part 200 based upon a reasonable cost allocation methodology whereby infrastructure costs are charged to each partner in proportion to its use of the one-stop center, relative to benefits received. Such costs must also be allowable, reasonable, necessary, and allocable;

- Partner shares must be periodically reviewed and reconciled against actual costs incurred, and adjusted to ensure that actual costs charged to any one-stop partners are proportionate to the use of the one-stop center and relative to the benefit received by the one-stop partners and their respective programs or activities.

The MOU may include an interim infrastructure funding agreement, including as much detail as the DCWIC has negotiated with one-stop partners, if all other parts of the MOU have been negotiated, in order to allow the partner programs to operate in the one-stop centers. The interim infrastructure funding agreement must be finalized within 6 months of when the MOU is signed. If the interim infrastructure funding agreement is not finalized within that timeframe, the DCWIC must notify the Mayor, as described in § 678.725.

Consensus

The Local Workforce Development Board Executive Director (or designee) is responsible for working with Partners of the local workforce system to achieve consensus and informally mediate disagreements. With regard to negotiations for infrastructure funding, if one-stop partners do not reach consensus on methods of sufficiently funding local infrastructure through the local funding mechanism in accordance with the Mayor's guidance issued under § 678.705 and consistent with the regulations in §§ 678.715 and 678.720, and include that consensus agreement in the signed MOU, then the DCWIC must notify the Mayor by the deadline established by the Mayor under § 678.705(b)(3). Once notified, the Mayor must administer funding through the State funding mechanism, as described in §§ 678.730 through 678.738, for the program year impacted by the local area's failure to reach consensus.

Dispute Resolution Process

In the event that negotiations break down, the Office of the Deputy Mayor for Greater Economic Opportunity (DMGEO) is compelled to offer assistance to the DCWIC and the Partner(s) to help them reach a WIOA MOU agreement. The dispute resolution process is designed for use by the Partner(s) when unable to successfully reach an agreement necessary to execute the WIOA MOU. The District will also use this process for any dispute that arises after execution regarding interpretation and implementation of the WIOA MOU.

In the interest of prompt resolution of the dispute, the District requires that the action at each step of this procedure be done as soon as possible, but generally not later than the prescribed time limits. The time limit may be extended at the discretion of the DMGEO, in the event of unforeseen circumstances. Final decisions reached through these processes will not be precedent-setting or binding on future conflict resolutions unless they are officially stated in this procedure.

A disagreement is considered to reach the level of dispute resolution when an issue arises out of the development and negotiation of a WIOA MOU agreement that is not easily coming to a point of resolution. It is the responsibility of the DCWIC Board Executive Director (or designee) to coordinate the WIOA MOU Dispute Resolution Process to ensure that issues are being resolved in accordance with this policy. Any party to the WIOA MOU may seek resolution under this policy.

To formally start the dispute resolution process, the petitioner, who is the party seeking resolution, must promptly complete the Dispute Resolution Form provided in Attachment B and submit it electronically to the DCWIC Board Executive Director (or designee). It is the responsibility of the petitioner to notify all Parties to the WIOA MOU of the conflict. The DCWIC Executive Director (or designee) must notify the DMGEO of the conflict by electronically sending the completed Dispute Resolution Form.

Within fourteen (14) business days of receipt of the Dispute Resolution Form, the DMGEO will notify the DCWIC Executive Director (or designee) of a date where the DMGEO and DCWIC Executive Director, and appropriate staff will meet to discuss the conflict with appropriate Partners. Prior to the meeting, the DMGEO will investigate the conflict to obtain additional information or to clarify the facts presented.

After the meeting, and within seven (7) business days, the DMGEO will determine how the dispute shall be resolved.

6. Action Requested.

The American Job Center System Partners will ensure all employees are aware of and receive copies of this policy. WIOA policies are available on the DCWIC website.

7. Attachments.

American Job Center System Partners
Dispute Resolution Form

8. Inquiries.

Inquiries regarding this guidance should be directed to:

Todd Lang
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W: 202.671. 2871 | E: todd.lang@dc.gov

9. Expiration.

Continuing.