

**GOVERNOR’S GUIDELINES TO STATE AND LOCAL PROGRAM PARTNERS  
NEGOTIATING COSTS AND SERVICES UNDER THE WORKFORCE INNOVATION AND  
OPPORTUNITY ACT OF 2014 (WIOA)**

**SUPPLEMENTAL GUIDANCE *FOR PROGRAM YEAR 2016 ONLY* (STATE FY 2017)**

**BACKGROUND:** The Governor’s Guidelines to State and local WIOA program partners for negotiating cost sharing, service access, service delivery and other matters were initially issued in December 2015. These guidelines provide timelines for negotiation of local memoranda of understandings (MOUs) and for reporting negotiation outcomes. These local negotiations encompass infrastructure costs of comprehensive one-stop centers and shared service delivery costs of local workforce development systems.

Since the issuance of the original Governor’s Guidelines, significant actions have been taken that alter the timelines originally established:

1. The U.S. Departments of Labor and Education delayed until July 1, 2017 the effective date for local areas to agree upon cost sharing for comprehensive one-stop center infrastructure costs and other shared costs following the *new* requirements of WIOA. More information is available here: <https://www.doleta.gov/WIOA/FAQs.cfm>.
2. The Executive Committee of the Illinois Workforce Innovation Board adjusted the timelines for MOU negotiations (and the certification of comprehensive one-stop centers) for Program Year (PY) 2016 (State FY 2017) *only*.

**PURPOSE:** The purposes of this SUPPLEMENTAL GUIDANCE are:

1. **To provide an alternative timeline** for MOU negotiations and associated reports for PY 2016 (State FY 2017) *only*. (*See Attachment 1 to this Supplemental Guidance*). The timelines prescribed in the Governor’s Guidelines will remain as described for PY 2017 (State FY 2018) and after.
2. **To provide additional guidance regarding negotiations of shared costs** that apply for PY 2016 (State FY 2017) *only*. (*See Attachment 2 to this Supplemental Guidance*). Requirements for negotiation of shared costs for PY 2017 (State FY 2018) and after remain as described in the Governor’s Guidelines.
3. **To identify the “individual designated by the Governor”** as described in the Governor’s Guidelines to be Mike Baker of the Illinois Department of Commerce for PY 2016 (State FY 2017). ([Michael.Baker@illinois.gov](mailto:Michael.Baker@illinois.gov))

4. **To issue the first revision of the Governor’s Guidelines** for the purposes described below.

**REVISION 1  
TO THE  
GOVERNOR’S  
GUIDELINES:**

The Governor’s Guidelines issued in December 2015 are being revised for the following purposes:

1. To require that all local MOUs be developed in a standard format. A template for local MOUs and example language for MOUs are added to the Governor’s Guidelines as additional Appendix items.
2. To require that a local service matrix describing the services local partners will provide in comprehensive one-stop centers, and the methods through which services will be delivered, be submitted with the MOU. A standard template for the required local service matrix is provided as an additional item to the Appendix to the Governor’s Guidelines.
3. To clarify requirements for the use of in-kind contributions toward shared costs.
4. To make other minor technical revisions to the original Guidelines.

**EFFECTIVE  
DATE:**

This supplemental guidance is effective when issued in March 2016.

**ATTACHMENT 1**  
**SUPPLEMENTAL GUIDANCE FOR PROGRAM YEAR 2016 ONLY (STATE FY 2017)**

**ALTERNATIVE TIMELINE FOR PY 2016 (STATE FY 2017) ONLY**

The alternative timeline for required activities in PY 2016 (State FY 2017) is summarized in the following table.

<b>ACTIVITY FOR ALL YEARS IN WHICH AN MOU IS NEGOTIATED</b>	<b>GOVERNOR'S GUIDELINES</b>	<b>SUPPLEMENTAL GUIDANCE FOR PY 2016 (STATE FY 2017) ONLY</b>
Local MOU negotiations begin	January 1	March 1, 2016
Local boards provide draft budgets (using the required standard format) to the designated by the Governor	February 28	April 30, 2016 (Mike Baker, Commerce)
90-day negotiation period for MOUs ends	March 31	May 31, 2016 (Mike Baker, Commerce)
Required outcome reports (Appendix 9 of the Governor's Guidelines – Revised March 2016) are due to the individual designated by the Governor		
For local areas unable to reach agreement on MOUs, a 45-day remediation period begins	April 15	June 1, 2016
A signed MOU must be submitted to the individual designated by the Governor	July 1	July 15, 2016 (Mike Baker, Commerce)
For local areas unable to reach agreement on MOUs, a 45-day remediation period ends; the reasons for the local impasse are referred to the U.S. Secretary of Labor and head of any other relevant Federal agency		

**ATTACHMENT 2**  
**SUPPLEMENTAL GUIDANCE FOR PROGRAM YEAR 2016 ONLY (STATE FY 2017)**

**ADDITIONAL GUIDANCE RELATED TO COST SHARING FOR PY 2016 (STATE FY 2017) ONLY**

The Employment and Training Administration provided additional clarification on January 28, 2016 regarding WIOA implementation. Clarifications relevant to cost sharing are repeated below.

**Will the specific WIOA requirements for local agreements for funding the one-stop infrastructure costs apply in PY 2016?**

No. The specific requirements for the local funding agreements, which are related to how the shared and infrastructure costs of the one-stop service delivery system will be paid by the one-stop partners, need not be satisfied in the funding agreements for PY 2016. States and local areas may continue to negotiate local funding agreements as they have been doing under WIA for purposes of PY 2016. However, the local funding agreements must satisfy the requirements of section 121(h) of WIOA for purposes of funding the one-stop system in PY 2017.

**What happens if the local areas fail to reach an agreement for funding the one-stop system in PY 2016?**

In the event of failure to reach an agreement for funding the one-stop system in PY 2016, the State funding mechanism will not yet be applicable as the alternative, as it will not be implemented until PY 2017. Therefore, if a local area fails to reach an agreement for funding the one-stop system in PY 2016, the one-stop partners must continue to use whatever process they have been using under WIA to resolve disputes for purposes of funding the one-stop system during PY 2016.

Cost-sharing requirements as they existed under WIA are defined in 20 CFR 662.270.

**§ 662.270 How are the costs of providing services through the One-Stop delivery system and the operating costs of the system to be funded?**

The MOU must describe the particular funding arrangements for services and operating costs of the One-Stop delivery system. Each partner must contribute a fair share of the operating costs of the One-Stop delivery system proportionate to the use of the system by individuals attributable to the partner's program.

In light of this clarification, the extension of the effective date of WIOA cost sharing requirements until July 1, 2017 and the previous cost sharing requirements of WIA, **the following supplemental guidance is issued regarding shared costs and applies to PY 2016 (State FY 2017) only.**

- 1. Negotiation of local cost sharing must be part of local MOU negotiations as they were under WIA.**
- 2. All local partners are required to contribute their agreed-upon fair share of local service delivery systems costs for PY 2016 (State FY 2017) through cash or accepted in-kind resources.**

3. Local partners that have contributed their proportionate share of local service delivery system costs under WIA in the past should continue to make these contributions for PY 2016 (State FY 2017).
4. Draft budgets, which identify all comprehensive one-stop center infrastructure costs and all local one-stop delivery system costs, are to be submitted by April 30, 2016 to Mike Baker, Commerce ([Michael.Baker@illinois.gov](mailto:Michael.Baker@illinois.gov)). These draft budgets are to be provided in the format specified in the Governor's Guidelines (Revision 1) *and must be submitted even if local partners have not yet reached agreement on how these costs will be shared.*
5. The same processes that were used under WIA to resolve disputes should continue to be used for PY 2016 (State FY 2017).