

MOU FAQ DOCUMENT

MAY 11 WIOA WEDNESDAY WEBINAR

PROGRAM YEAR 2016/STATE FISCAL YEAR 2017

- 1. We are instructed to negotiate local funding agreements as we have been doing under WIA. There are several line items in the standard budget template that were never negotiated or agreed to under WIA, and, therefore, have never affected a partner's contribution. What do we do for PY16/SFY17 in this case? Is it allowable for a partner to pay the same amount in PY16/SFY17 as it did under WIA even though the actual costs of operating the comprehensive one-stop center have now been estimated to exceed what each partner paid under WIA?**

Yes. The State of Illinois continues to follow federal guidance that one-stop partners should continue to make contributions toward shared costs as they had under WIA. For PY16/SFY17 only, the specific requirements for local funding agreements "need not be satisfied," according to federal guidance. This means:

- The budget information submitted on the standard budget spreadsheet should still reflect the projected total annual budget for infrastructure costs to operate each comprehensive one-stop center and the delivery system costs of the local area.
- Each required partner's contribution toward those costs can still be at the same level as they were under WIA.
- This may result in the spreadsheet being unbalanced, where the sum of all partners' contributions do not equal the total annual costs of infrastructure and service delivery (i.e., it is possible that not all shared costs will be allocated to or covered by the PY16/SFY17 contributions of required partners).

An example follows:

- Total, All Shared Costs of the LWIA = \$100,000
- Required Partner A's contribution based on FTEs as shown in the standard budget spreadsheet = \$30,000
- Required Partner A's contribution under WIA = \$5,300
- Required Partner A would continue to pay \$5,300 in PY16/SFY17 with the understanding that its portion of the shared costs may potentially increase in PY17/SFY18.
- The difference of \$24,000 between the amount Required Partner A paid under WIA and the estimated share based on FTEs in PY16/SFY17 would be shown as outstanding on the standard budget spreadsheet.

- 2. Should the final budget submission reflect what partners are going to pay for PY16/SFY17, or is it a placeholder for PY17/SFY18?**

The final budget submission is not a placeholder for PY17/SFY18. The final budget submission should be a reflection of the outcome of negotiations about how local one-stop delivery system costs will be shared for PY16/SFY17. The State of Illinois is following

federal guidance which suggests that local funding agreements for PY16/SFY17 continue to be negotiated as under WIA. The intent is to allow state and local partners to assess both the actual amount paid as well as the actual operating costs so that partners may prepare for PY17. (Source: [Governor's Guidelines—Supplemental Guidance for PY16/SFY17](#), page 1, point 1)

3. If partners agreed to amounts last year and did not pay, what do we do this year (PY16/SFY17)?

Each partner's signature on the MOU, which includes a final agreed-upon local one-stop delivery system budget, should be considered an agreement and ability to contribute the amounts as stated in the budget.

4. In PY15/SFY16, we were assigned a cost for certain services. These costs were never negotiated. For PY16/SFY17, the advice is to act as you did under WIA; however, these are not negotiated services. Do we now have the ability to negotiate these costs?

For PY16/SFY17, you are encouraged to continue to make contributions as you did under WIA. Shared costs under WIA were to have been negotiated, which will also be true under WIOA going forward.

MOUS IN GENERAL

5. Who can provide copies of the preliminary budgets?

Contact your program-specific contact for more information regarding the preliminary budget for your LWIA. Please note that the Interagency Work Group asked KEB to follow-up with specific LWIAs regarding their preliminary budget submittals.

COST ALLOCATION IN GENERAL

6. What if a comprehensive one-stop center has empty desks? Is this "idle capacity," and would it be considered a disallowed costs for other federally funded programs to pay for this space?

Idle capacity is generally unallowable. However, it may be allowable to the extent that it is necessary to meet fluctuating workload requirements, it was previously necessary and is now temporarily idle, or it is a normal cost of doing business. Refer to the Uniform Guidance at 2 CFR 200.446 for more information.

7. Is it acceptable to use Federal and State grant dollars to pay infrastructure costs to a for-profit company?

Yes. The allowability of infrastructure costs is not contingent on the type of entity.

- 8. An LWIA previously had two comprehensive one-stop centers but is currently negotiating around one comprehensive one-stop center. Is this the correct course of action?**

An LWIA can have multiple comprehensive one-stop centers as long as all partners in the local area agree. When infrastructure funding under the State funding mechanism becomes possible in PY17/SFY18, it will be limited to only one comprehensive one-stop center per LWIA, except for LWIA 7 (Chicago and Cook County).

REGIONAL AND LOCAL PLAN AND MOU REVIEW

Note: The following questions and answers relate to three types of plans:

- 1. Regional Plans,***
- 2. WIOA-required Local Plans, and***
- 3. Program-specific plans as required for each partner under its respective statute.***

- 9. What is meant by “Local Plans?”**

WIOA-required Local Plans apply to all required partners under WIOA in the local area. Detailed requirements for Local Plans can be found in proposed regulation 679.550 and 679.560. Instructions for Local Plans have been provided in the “[State of Illinois WIOA Regional and Local Planning Guide](#).” There is one WIOA Local Plan in each LWIA. This one WIOA plan should include information on all required partner programs and how they will be integrated and aligned to provide services in the area.

- 10. Should all of the core partners’ program-specific plans be submitted within the Local Plan?**

Core partner programs are required by their authorizing statute to complete program-specific plans, which are different than the WIOA-required Local Plans. Per WIOA, local boards and partners must jointly develop the Local Plan. The WIOA Local Plan is intended to incorporate information about how all of the required partners under WIOA will provide services and how those services will be coordinated and integrated. Local Plans should be developed in close consultation to the “[State of Illinois WIOA Regional and Local Planning Guide](#),” which will serve as the basis against which Local Plans are assessed for state approval.

- 11. Will the local workforce boards be given a chance to review all the program-specific partner plans in their LWIAs, in addition to the Title IB plan?**

This depends on the planning requirements for each individual program. For example, area plans required under the Adult Education and Family Literacy program must be reviewed by the Local Workforce Innovation Boards (LWIBs).

12. If we need to make changes to our WIOA Regional and Local plans after they are out for public comment, do the plans need to be posted a second time for public comment?

No. There is no requirement for second public comment period.

13. Do CEOs have to approve WIOA Regional and Local plans before submittal?

Yes. The standard cover letter must be signed by the LWIB Chair and CEO(s) indicating their approval of the plan. CEOs that already have agreements on file to designate a lead CEO authorized to sign on behalf of all CEO's in the area may continue that practice under WIOA. (Source: [WIOA Notice No. 15-NOT-07](#), page 3, Part 1. B. 1)

PROGRAM-SPECIFIC QUESTIONS

14. Are the community colleges required to set aside funds in their PY16/SFY17 Perkins grants to cover one-stop infrastructure costs?

No. The State of Illinois is following Federal guidance that delays the effective date of infrastructure funding requirements until July 1, 2017.

15. If Title IB is “overpaying” this year, is that going to cause a monitoring problem for us with the new WIOA regulations and intent?

The State of Illinois is following Federal guidance to base cost sharing decisions for PY16/SFY17 following local practices under WIA. If issues of this type were not raised in prior monitoring under WIA, we do not expect them to be raised for PY16.

MAY 10, 2016

PROGRAM YEAR 2016/STATE FISCAL YEAR 2017

1. Can an LWIB require core and required partners to share WIOA infrastructure costs as defined under WIOA for PY16/SFY17 even though the effective date for compliance with WIOA infrastructure cost funding requirements has been delayed until PY17/SFY18?

No. WIOA infrastructure cost funding requirements as defined under WIOA do not take effect until July 1, 2017 (see the Governor's Guidelines – Supplemental Guidance, page 1, point 1). For PY16/SFY 17 (July 1, 2016 – June 30, 2017), the State of Illinois is following guidance from the U.S. Department of Labor to continue to negotiate local funding agreements as has been done under WIA.

Moreover, both the WIOA law and proposed regulations explicitly acknowledge that each partner's contributions toward infrastructure costs must be agreed upon through negotiations.

- 2. Are required /core partners to continue to negotiate local funding agreements as they did under WIA for the year beginning July 1, 2016?**

Yes. The State of Illinois is following the Federal guidance dated January 28, 2016 regarding the effective date of infrastructure funding requirements. The guidance can be viewed at [DOL FAQ Jan 28, 2016 -- Local Agreement Costs/Potential Penalties for PY2016](#).

MOUS IN GENERAL

- 3. What is the MOU submittal due date?**

MOUs are required to be submitted by July 15 to wioaplans-mous@illinoisworknet.com.

- 4. Is there a state level data sharing agreement? Is there an established mechanism for each state partner to provide information on what local partners can legally share at the local level?**

Currently data sharing agreements exist between several core and required partners. The Interagency Work Group will survey required partners to inventory all state-level data sharing agreements currently in place, information that may or may not be shared per agency, and an understanding of agency processes to expand data sharing agreements to others who are not currently covered by them.

COST ALLOCATION IN GENERAL

- 5. Do we have to have a full-time FTE?**

No, it is not required to have a full-time FTE. It is recommended that beginning July 1, 2016, local areas track the activity of program employees to see if the FTE count needs to be adjusted for future annual budget submissions.

- 6. The shared cost budget submittal spreadsheet only allows two digits for entering fractional FTEs (e.g., 0.03). Can this be amended to include three digits (exp. .025) for entering fractional FTEs?**

The spreadsheet will not be changed as two digits are sufficient.

- 7. Who is responsible for approving the draft budget prior to submission to the State?**

The local board is responsible for submitting the preliminary budget to the State. Because this budget is preliminary and not final, and because negotiation progress may be different in each local area, there is no requirement related to the approval of preliminary budgets prior to submission.

8. Is the local area bound to the numbers calculated on the spreadsheet as long as everyone is in agreement with the partner contributions?

The expectation is that each partner will be bound by its contribution commitments as reflected in the agreed-upon final budget.

9. How does a local area manage required partners who are engaged in local negotiations about services, but not shared costs?

The expectation is that local partners will be engaged in negotiations about both services and costs. If this is not happening, contact should be made with the designated partner contact person at the State level who will follow up.

10. Should the preliminary budget and the MOU include organizations located outside of the comprehensive one-stop center?

The MOU should include all partners in the one-stop delivery system. The local area has discretion as to the “local delivery system” (e.g., affiliated center, specialized center, or corporation). Infrastructure costs should include only the partners in the comprehensive one-stop center and shared costs apply to all required partners that are part of the local delivery system.

11. When and how will we receive feedback on preliminary budget submittals?

Preliminary budgets are currently being reviewed by the budget review team and a response will be issued prior to final budget submission. In the meantime, continue to proceed with negotiations for final budget submittal.

12. Can an LWIB require core and required partners to commit a minimum of one FTE at a comprehensive one-stop center?

No. Under WIOA law and proposed regulations each core and required partner has flexibility to determine how it will meet WIOA service access requirements. Onsite staff, contractor staff, staff cross-training and technology meeting the “direct linkage” requirements described in proposed regulation 678.305 are all options available to most required partners. (Wagner-Peyser and Title IB partners must be physically present at a comprehensive one-stop center.).

Each partner’s determination of the method of service delivery must assure that all one-stop center customers can access information and services on demand. Depending on known or anticipated demand for services at a comprehensive one-stop center, this may or may not require a partner to commit one FTE to a comprehensive one-stop center.

The specific services each required partner will provide at a comprehensive one-stop center, the methods of service delivery that will be used to provide these services and the

cost implications associated with these decisions are all encompassed by MOU negotiations involving local boards, chief elected officials and required partners.

REGIONAL AND LOCAL PLAN AND MOU REVIEW

13. Who serves on the Regional and Local Plan and MOU Subgroup?

REPRESENTATIVE	REQUIRED PARTNER
Mike Baker	Title IB – IL Department of Commerce
Lavon Nelson (lead), Whitney Hagy, Ben McDaniel	Title II and Postsecondary Perkins/CTE – IL Community College Board
Janice Taylor Brown	Title III – IL Department of Employment Security
Doug Morton	Title IV – IL Department of Human Services, Division of Rehabilitation Services
Susan Boggs	IL Department of Commerce, TAA
Katherine Staten and Rena Bryson	IL Department of Human Services, Division of Family and Community Services
Adrian Angel	IL Department of Commerce, CSBG
Jennifer Morrell	IL Department on Aging, SCSEP
Brian Watson	IL Department of Corrections, Second Chance

CERTIFICATION OF COMPREHENSIVE ONE-STOP CENTERS

14. What is the status of certification process for comprehensive one-stop centers?

Commerce issued a formal notice through its policy mechanism and Illinois workNet entitled WIOA Notice 15-NOT-07 “[Guidance to Local Workforce Innovation Boards \(LWIBs\) on the Continued Implementation of WIOA for Program Year 2016](#)”, which confirms the delay in the implementation of criteria and procedures for certifying comprehensive one-stop centers until PY17.

PROGRAM SPECIFIC

15. Can an LWIB use Title IB funds to contract with a service provider to meet the requirement that adult education services under Title II or WIOA be accessible at a comprehensive one-stop center?

No. The Title II provider must have an approved contract or grant with the Illinois Community College Board for Adult Education/Title II services.

16. Is ICCB discussing a state level recommendation for Perkins contribution levels to the MOU?

The state partners are not recommending any minimum levels as this is to be a locally driven process. However, for Adult Education and Postsecondary Perkins, it is

recommended that you look at anticipated demand for career services and track beginning July 1, 2016, which will provide hard numbers beginning July 1, 2017.

APRIL 12, 2016

PROGRAM YEAR 2016/STATE FISCAL YEAR 2017

1. Can required partners other than Title IB cover their share of PY16/SFY17 costs through an in-kind staff contribution?

Yes. For PY16/SFY17, as was allowable under WIA, accepted in-kind contributions of staff may be used to offset a required partner's cost-sharing obligations. Future direction in the final WIOA rule or through supplemental guidance from the U.S. Departments of Labor and Education will determine whether this method of contribution for infrastructure funding is available in PY17/SFY18 and beyond. A helpful resource for cost allocation is the [One-Stop Financial Management TAG](#).

2. Some required partners state in local negotiations that they do not have cash to contribute to shared costs of local delivery systems. Can they do that in PY16/SFY17?

Guidance from the U.S. Department of Labor for PY16/SFY17 is to "continue to negotiate local funding agreements as they have been doing under WIA" (cost-sharing agreements as they existed under WIA are defined in [20 CFR 662.270](#)). Illinois' WIOA Interagency Work Group encourages local areas to negotiate shared costs and infrastructure costs as described in the [Governor's Guidelines - Revision 1 - March 2016](#) for this coming program year/fiscal year. This will test the process and structures in place and identify challenges or issues that the State partners can address before actual local agreements on infrastructure costs must be reached by July 1, 2017 and payments subsequently made.

3. Since infrastructure costs do not have to be negotiated for PY16/SFY17, do local boards have to use the forms provided or can they use what was submitted under WIA?

Yes. The budget forms attached to the [Governor's Guidelines - Revision 1 - March 2016](#) are to be used for PY16/SFY17. One reason is to obtain a better estimate of what infrastructure costs actually are Statewide prior to PY17/SFY18. Additional guidance is available at [DOL FAQ Jan 28, 2016 - Local Agreement Costs/Potential Penalties for PY 2016](#).

4. If a local area cannot agree on cost sharing for the one-stop and did not have a mechanism previously, how do we finalize cost sharing?

All LWIBs submitted one-stop cost allocations annually since the inception of WIA, therefore a mechanism for cost sharing existed under WIA. The arrangement used under WIA may be used in PY16/FY17. New partners for PY16/FY17 may contribute cash or in-kind materials or services. If an agreement cannot be reached, the reasons must be

explained on the “Report of Outcomes from Local MOU Negotiations” (Appendix 11 to the [Governor's Guidelines - Revision 1 - March 2016](#)). For PY16/SFY17 only, the process used under WIA must be followed to resolve disagreements. For PY 17/SFY 18 and after, the State funding mechanism will be available to resolve disputes about infrastructure costs.

5. In PY16/SFY17, does every Adult Ed and Perkins provider need to deliver career services at the one-stop? Even if they did not under WIA?

No. The requirement is that Adult Ed and Perkins services must be available at every comprehensive one-stop center – not that every provider be present at all centers. The key is to think “program” and not “partner” or “provider” for this distinction.

6. Do the career services listed in the Career Services Matrix ([Governor's Guidelines - Revision 1 - March 2016](#)) only apply if we offered career services under WIA?

No. All required partners must provide career services per the Career Service Matrix on pages 39-42 of the [Governor's Guidelines - Revision 1 - March 2016](#), regardless of their career services activity under WIA.

7. Can you provide a simple summary chart displaying service delivery system requirements for PY16/SFY17 and those for PY17/SFY18 and beyond?

Yes. See the following chart for a general summary of when selected service delivery requirements become effective. The WIOA law, regulations and supplemental Federal and State guidance, including the [Governor's Guidelines - Revision 1 - March 2016](#) should be consulted for specific questions.

SUMMARY OF WIOA REQUIREMENTS PERTAINING TO LOCAL COMPREHENSIVE ONE-STOP CENTERS BY PROGRAM AND FISCAL YEAR

REQUIREMENT	APPLICABLE FOR PROGRAM YEAR (PY) 2016/ STATE FISCAL YEAR (SFY) 2017 ¹	APPLICABLE STARTING WITH PY/SFY
Local Workforce Innovation Boards (LWIBs) negotiate Memoranda of Understandings (MOUs) to formalize service delivery agreements	Yes ²	PY2016/SFY2017
LWIBs provide preliminary budgets describing costs of local one-stop delivery systems and	Yes (Due April 30, 2016)	PY2016/SFY2017

¹ The specific dates shown in this column apply to PY 2016 (State Fiscal Year 2017) only. For all future years the applicable dates are those that appear in the Governor's Guidelines as revised.

² As stated under WIOA Sec. 121(c), MOUs shall be reviewed at least every 3-years.

REQUIREMENT	APPLICABLE FOR PROGRAM YEAR (PY) 2016/ STATE FISCAL YEAR (SFY) 2017¹	APPLICABLE STARTING WITH PY/SFY
comprehensive one-stop centers to Mike Baker at the Department of Commerce		
LWIBs submit required outcome reports based on MOU negotiations to Mike Baker at Department of Commerce (Appendix 11 of the Governor's Guidelines – Revised March 2016)	Yes (Due May 31, 2016)	PY2016/SFY2017
For local areas unable to reach agreement on MOUs, a 45-day remediation period begins	Yes (Begins June 1, 2016)	PY2016/SFY2017
LWIBs submit a signed MOU to Mike Baker at the Department of Commerce	Yes (July 15, 2016)	PY2016/SFY2017
LWIBs provide final budgets describing costs of local one-stop delivery systems and comprehensive one-stop centers to Mike Baker at the Department of Commerce	Yes (Due with MOU by July 15, 2016)	PY2016/SFY2017
For local areas unable to reach agreement on MOUs, a 45-day remediation period ends and the Governor reports to the U.S. Secretary of Labor and head of any other relevant Federal agency on the reasons for the local impasse (see question 4 for further guidance)	Yes (July 15, 2016)	PY2016/SFY2017
All required partners make career services and other services accessible through comprehensive one-stop centers (see question 5 and 6 for further guidance)	Yes	PY2016/SFY2017
Local partners continue to take active steps to integrate service delivery at the local level	Yes	PY2016/SFY2017
Sharing costs of local service delivery among required partners as under WIA	Yes ³	PY2016/SFY2017

³ For PY 2016 only (State Fiscal Year 2017) partner sharing of costs will be as under WIA

REQUIREMENT	APPLICABLE FOR PROGRAM YEAR (PY) 2016/ STATE FISCAL YEAR (SFY) 2017 ¹	APPLICABLE STARTING WITH PY/SFY
Sharing infrastructure costs and shared systems costs of comprehensive one-stop centers among required partners under WIOA	No	July 1, 2017 (PY2017/SFY2018)
LWIB certification of comprehensive one-stop centers	No ⁴	PY2017/SFY2018
Competitively procured comprehensive one-stop center operators selected and in place	No	June 30, 2017 (PY2017/SFY2018)

MOUS IN GENERAL

8. What steps have been taken to resolve the signature snags of the past?

Members of the State WIOA Interagency Work Group that operate State administered programs have expressed their commitment to timely and expedited signatures on MOUs⁵. This group continues to convene regularly and will address any issues with obtaining the necessary signatures on MOUs as identified by local areas. Local areas are encouraged to communicate any issues pertaining to obtaining necessary signatures to the respective program representative (see [MOU FAQ Required Partner Contacts](#)), who will raise the issue for the Interagency Work Group to address.

9. Can required programs designate multiple individuals to negotiate local MOUs?

Ideally, each required program should identify one individual to negotiate local MOUs on behalf of the program representatives in each local area. However, that may not always be feasible or preferable for every program in every local area. Negotiations in PY16/SFY17 will help identify issues that the Interagency Work Group can address in future years in which MOUs are negotiated. For example, ICCB has worked with Postsecondary Perkins and Adult Ed to identify lead individuals for both Postsecondary Perkins and Adult Education. As these individuals are identified they are included on the updated “Summary of Individuals to Negotiate MOUs” document on the [WIOA Implementation portal](#).

⁴ Interagency Work Group recommendation pending IWIB approval

⁵ The State administered programs are Illinois Department of Corrections, Illinois Department of Human Services, and Illinois Department of Employment Security.

- 10. How should we complete Section V (Description of Comprehensive One-Stop Services) of the MOU? I'm not sure how or where we respond to the second bullet point, or if we even have to since it refers to the one-stop operator.**

Competitively selected one-stop operator designation does not have to be in place until June 30, 2017 (§678.635). If an operator is in place by July 1, 2016, please respond to the second bullet point. If the operator is not in place, describe the steps being taken to assure a competitively selected one-stop operator is in place by June 30, 2017.

- 11. And for the first bullet point in Section V (Description of Comprehensive One-Stop Services), do we just refer to the matrix, or do we actually have to fill something in there. If so, what? I checked the instructions and it just refers to the matrix.**

DOL has cited Illinois in the past for a lack of detail regarding service coordination in the past. To address this, the MOU is broken out by partner. Once an operator is in place, local areas need to be as specific as possible when describing coordination between the operator and the partners. In the meantime, the MOU should describe how services are being coordinated until an operator is in place.

- 12. The instructions for Section IX (Referral Process) do not address the list of partner programs, so what do you want us to put there? I can address the bullet points in the box section, but not sure what to put by each program. Do you want us to list each partner we would make referrals to?**

The referral process and method of referral each partner will use should be described in this section so that all partners understand the referral procedures of all other partners. The board should engage each partner program to contribute language that outlines how its referral process happens and will be tracked to provide the information for this section.

- 13. What do we put in Section XIII (Data Sharing), data sharing agreement? Isn't that really at the State level?**

This section is not intended to address agreements. It is meant for the board to detail how sharing of data is happening among the partners at the local level, including the types of data and how it is shared among partners where there is no formal agreement at the State level. Partners at the state level are working on specific guidance as to data sharing and hope to issue additional clarification soon. The MOU must also address how the partners are going to ensure that Personally Identifiable Information is not compromised.

- 14. Who is responsible for submitting the final budget?**

As described in the [Governor's Guidelines - Revision 1 - March 2016](#), the chair of the Local Workforce Innovation Board (LWIB), is to submit the final budget with the signed MOU.

15. Data sharing and having a common database is one major cost that is necessary to make the one-stop center successful. Will that cost be subsidized by the State?

Ongoing conversations are taking place at the State level and there is a desire to streamline data collection and availability while ensuring appropriate levels of privacy and security. Work enabling movement in that direction is underway.

16. Who is responsible for collecting all the shared costs?

Ultimately the LWIB is responsible for submitting a complete MOU. However, collection of specific costs will depend on the type of costs being shared. For infrastructure costs, this will generally be the leaseholder. It could be another entity, such as the LWIB for other types of shared system costs.

17. Why is a line for “in-kind staffing” included on the “Standard Budget Format” spreadsheet?

The regulations permit in-kind contributions under the local funding mechanism. For PY16/SFY 17, local areas are to continue to share costs as was allowable under WIA, including in-kind contribution of staff for non-personnel costs under certain conditions. For PY17/SFY18, this remains an open question that will be resolved through additional Federal guidance, including guidance through the issuance of the final WIOA regulations.

18. Will data sharing agreements just be the agreements through the State level or will local level areas have to create their own data sharing agreement?

A hybrid approach is needed. Data sharing arrangements will be handled simultaneously at the State and local levels.

19. In regard to the spreadsheet, contributions are grouped/tallied into three broad categories – materials, staffing, and cash. Where are the specific detailed contributions described? In the MOU narrative or the notes section on the bottom of the spreadsheet?

The top portion of the spreadsheet determines the partners’ proportionate share. The three broad categories describe how the partners intend to make their specific contributions toward their proportionate shares. These contributions should be described in the narrative and detailed information on them kept on file locally.

FUNDING LOCAL ONE-STOP DELIVERY SYSTEMS

20. Some local partners claim that they are only the funder of last resort. Is this true?

§678.760 states “WIOA neither requires programs to examine if other funds are available before using program funds to pay for a service, nor does it establish a requirement that any program can only be a ‘payer of last resort’”.

21. What is the definition or calculation of “fair share”?

Fair share is a complex determination that is made locally. It is rooted in federal cost allocation principles ([Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)). The [One-Stop Financial Management TAG](#) is a good resource for determining fair share.

22. What is the definition of “proportionate share”?

For PY 16/SFY17, proportionate share is defined as it was under WIA.

For PY17/SFY18, determination of each partner’s proportionate share is a specific requirement incumbent upon the Governor. Proportionate share is defined in the glossary to the [Governor’s Guidelines - Revision 1 - March 2016](#) as “an amount determined by the Governor that represents a required partner’s portion of comprehensive one-stop infrastructure costs State-wide for purposes of the State infrastructure funding mechanism. This amount is determined through a reasonable cost allocation methodology that assigns costs to required partners in proportion to relative benefits received.”

23. If the reality of the situation under WIA was unbalanced, with Title IB covering more costs than benefits received, will that be allowed to continue for this new MOU as we work through PY17/SFY18 negotiations?

For PY17/SFY 18, the WIOA law and proposed regulation are both clear: all required partners must contribute their fair share of one-stop center infrastructure and shared local delivery system costs. The need for any additional adjustment to the [Governor’s Guidelines - Revision 1 - March 2016](#) regarding cost sharing responsibilities will be based on the final regulations.

24. How will the FTE cost shares be collected from all partner?

This will depend on the type of costs being shared. For infrastructure costs, this will generally be the leaseholder. It could be another entity, such as the LWIB for other types of shared system costs.

COST ALLOCATION IN GENERAL

25. Doesn't WIOA require that each program commit a minimum of one full-time equivalent (FTE) since services have to be available at comprehensive one-stop centers during normal business hours?

No, WIOA does not require that each program commit a minimum of one full-time equivalent. Each required partner—some of which administer multiple required programs— must provide staffing **sufficient to ensure required services are available during all normal business hours**. Staff can be onsite at the one-stop center or available via technology satisfying the [“direct linkage” requirement in WIOA](#). Depending on the actual demand for program services and the geographic scope of responsibility for staff providing services (e.g., responsibility for all LWIAs in a region), a partner's *minimum* staff contribution may be less than, equal to, or more than one full FTE for each comprehensive one-stop center. The number of FTEs that each required partner commits is to be agreed upon during negotiations of local memoranda of understandings (MOUs). Partners with responsibility for multiple programs (e.g. ICCB which is responsible for Adult Education and Postsecondary career education programs can meet the service access requirements with an individual or individuals as long as the staff providing services are trained and able to provide services under multiple programs). The following is a *hypothetical* example of how a partner with responsibility for multiple programs can staff services in the one-stop.

Example:**Illinois Department of Employment Security (non-Wagner-Peyser programs)**

PROGRAM	FTE
Unemployment Insurance	.25
Trade Readjustment Act	.25
Migrant Seasonal Farmworkers Monitor Advocate	.25
Veteran	.5

The actual demand for services will determine a parties FTE commitment. It will be difficult to predict demand with precision during the first program year. That is why all parties should keep records in PY16/FY17 on the actual demand for services.

26. Can comprehensive one-stop center staff be cross-trained to provide services for multiple programs?

Yes. Local comprehensive one-stop center partners can cross-train staff so they are able to provide services in multiple programs. The extent to which staff are cross-trained and the impact this has on each partner's FTE commitment will be part of local MOU negotiations regarding both the method of service delivery and each partner's share of delivery system costs.

27. Can fair share or proportionate share be based on the number of clients served by each agency in the one-stop center?

Yes. Although FTEs are the preferred method to be used at the local level to determine proportionate share, and are the basis the Governor will use to make the required determination of proportionate share at the State level, local areas can choose any methodology that is in compliance with the [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#).

28. Are FTEs the required method of allocating costs in PY16/SFY17?

No. However, the use of FTEs as the basis for cost allocation is strongly encouraged, including for PY16/SFY17. The [Governor's Guidelines - Revision 1 - March 2016](#) state that the preference is for costs to be shared among required partners based on the number of FTEs committed to the operation of the one-stop delivery system (*Governor's Guidelines – Revision 1, Section 2, No. 12*). Required partners can identify an agreed-upon alternative method that works best for each local area provided it is in accordance with the “Uniform Administrative Requirements” for federal awards. Part of the reason the FTE cost allocation method is preferred is that the Governor will be using FTE contributions to determine each partner’s proportionate share of infrastructure costs for PY17/SFY18 and beyond. A common method of allocation will also help to standardize tools and technical assistance available to local areas.

29. Some local workforce partners want to provide in-kind contributions for infrastructure costs rather than contribute cash. Is this allowable?

This remains an open question that will be resolved with the issuance of the final WIOA regulations. The infrastructure requirements of the WIOA do not go into effect until July 1, 2017. Therefore, local workforce areas currently have the flexibility to negotiate shared costs for the PY16/SFY17 MOU as outlined in the *Supplemental Guidance for Program Year 2016* see:

<https://www2.illinoisworknet.com/DownloadPrint/Governor's%20Guidelines%20-%20Supplemental%20Guidance%20for%20PY16%20-%20Final.pdf>

BACKGROUND

The current [Governor's Guidelines - Revision 1 - March 2016](#) provide the local workforce areas with the flexibility to use in-kind cost under specific conditions.⁶ The Governor’s Guidelines considers two elements in reviewing infrastructure costs:

- The amount and makeup of infrastructure costs (i.e., the non-personnel costs of a one-stop center) and
- The source of contributions under the local funding mechanism. The current Illinois Governor’s Guidelines treat these as two different things.

⁶ The costs of this desired staff function are allowable as payment for non-staff shared costs according to the “One-Stop Financial Management TAG” (p. I-4-3): “If a partner organization *provides staff services as payment for non-staff costs*, then it is the costs of that staff function used as the resource...” (*emphasis added*)

Under the [Governor's Guidelines - Revision 1 - March 2016](#) the value of any in-kind contribution must be

- Recognized and accepted by the other partners and
- Have the effect of offsetting a cash contribution toward infrastructure costs that would otherwise be due from the partner. (In other words, a partner cannot unilaterally declare that its contribution to infrastructure costs is in-kind without the other partners' agreement.)

The Office of Employment and Training was asked to review this requirement with the U.S. Department of Labor. Upon this discussion, initial guidance from USDOL came back with a strict interpretation of WIOA regulations that prohibit infrastructure costs from including any personnel or personnel related costs, no matter if direct charged, provided in-kind, or by some other method.

CURRENT GUIDANCE (4/1/16)

According to the most recent information provided by the U.S. Department of Labor Region 5 Financial Manager, infrastructure costs are non-personnel costs, and therefore personnel or personnel-related costs (e.g., in-kind staff costs) cannot be used by a one-stop partner to fulfill its responsibility to pay its share of one-stop infrastructure costs even if the contribution would be accepted by all partners.

According to Region V, local partners may utilize in-kind non-personnel contributions to pay for infrastructure; however, the infrastructure and shared costs negotiations must be done separately. In other words, shared costs should not be used to offset infrastructure costs. Personnel costs may be used to cover contributions for shared costs.

NEXT STEPS

The State of Illinois and Region V have agreed to wait until the release of the final WIOA regulations to make a determination on revisions to the Illinois Governor's Guidelines.

30. How does the MOU tie into the Regional and Local Plans?

There should be a direct linkage between all three documents. The regional plans set the overarching priorities and strategies and the local plans describe how the partners in each local workforce area will address the regional priorities and strategies. The MOUs further refine this planning by specifically describing how the required partners agree to provide services and fund the one-stops. Local boards will want to ensure that their local implementation plan and one-stop MOUs include investments in activities that support the regional plan. We are looking for alignment between the regional plan, local plan and one-stop MOU.

31. What do we do if we have questions during the rest of the MOU negotiation process?

Submit your questions in writing to your program's representative (see table below) on the State Interagency Work Group. The Interagency Work Group developed a protocol for fielding questions from local areas and discussing them from a State perspective, which will allow generally applicable responses to be posted on the public page of the WIOA Implementation Portal for other areas to view and consider.

MOU FAQ REQUIRED PARTNER CONTACTS

AGENCY	CONTACT NAME	EMAIL
Illinois Department of Commerce – Title IB	Mike Baker	michael.baker@illinois.gov
Illinois Department of Commerce – Community Services Block Grant	Adrian Angel	adrian.angel@illinois.gov
Illinois Department of Employment Security	Janice Taylor Brown Trina Taylor	janicetaylor.brown@illinois.gov trina.l.taylor2@illinois.gov
Illinois Community College Board	Lavon Nelson	lavon.nelson@illinois.gov
Illinois Department of Human Services – Voc Rehab	Doug Morton	doug.morton@illinois.gov
Illinois Department of Human Services –TANF	TBA	TBA
Illinois Department of Corrections –Second Chance	Brian Watson	brian.w.watson@doc.illinois.gov
Illinois Department on Aging –SCSEP	Jennifer Morrell	jennifer.morrell@illinois.gov
Illinois Migrant Council – National Farmworkers Jobs Program	Donna Fantozzi	dfantozzi@illinoismigrant.org