

**WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA)
JOINT TRAINING WEBINAR ON THE GOVERNOR’S GUIDELINES
FOR NEGOTIATING COSTS AND SERVICES**

WEBINAR SERIES DECEMBER 14 – 16, 2015

A series of six webinars was held regarding the “Governor’s Guidelines to State and Local Partners Negotiating Costs and Services under the Workforce Innovation and Opportunity Act (WIOA) of 2014.” The [Governor’s Guidelines](#) can be accessed on the WIOA Implementation Portal at the following link:

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

The purpose of the webinars was to provide local partner representatives with the same information in a common setting and provide ample opportunity for local partners to ask questions and to hear what others are asking. Following is a list of questions posed by webinar participants throughout the six webinars and responses to them.

Q&A: LOCAL MOU NEGOTIATIONS

1. Q: Is it correct that an MOU template will be available?

A: Correct. The MOU template will be available as soon as possible with the intent to provide helpful language that local areas can use as a starting point for when they are ready to prepare a document for signature.

2. Q: If required partners in a local area plan to co-locate into comprehensive one-stop centers with other required partners, particularly employment services authorized by the Wagner-Peyser Act, is it acceptable for MOUs to reflect that agreement even if the move won’t happen until summer 2016?

A: The MOU should reflect the agreed-upon changes and planned moving dates of all required partners.

3. Q: What would a timeline look like for co-location of services once the MOU agreements are made?

A: WIOA prohibits Wagner-Peyser services from being offered in a stand-alone building after July 1, 2016. The proposed rules recognize the complexity of going from what may exist today to what has to exist under WIOA and allows for a transition plan. It is reasonable to describe the circumstances in the local area that will prevent co-location of all required partners by July 1, 2016, as long as a plan is described for how the transition will occur. The intent is for

required partners to accomplish as much as possible toward co-location, but the Federal government recognizes it may not be possible by July 1, 2016 based on local circumstances.

- 4. Q: Is it allowable to have more than one of any core partner located in a comprehensive one-stop center? For example, can two community colleges partner to be located together in a single one-stop center?**

A: Yes. More than one local service provider under a core partner can provide services in a single comprehensive one-stop center. Local providers are responsible for getting together to decide how services will be provided and comply with WIOA's requirement of offering access to those services at the comprehensive one-stop center during all normal business hours, five days a week.

The Illinois Community College Board is in the process of developing two policy letters, one for Adult Education and one for post-secondary education Perkins/Career and Technical Education. The Adult Education draft policy identifies the Adult Education representatives on the local workforce innovation board (LWIB) will be responsible for convening all Adult Education providers in that local workforce innovation area (LWIA) to collaboratively decide how services will be provided. That Adult Education representative on the local board also would serve as the MOU negotiator on behalf of those local providers in the LWIA.

Given that post-secondary education Perkins/Career and Technical Education is a required partner but does not have a seat on the local board, ICCB recommends that all community colleges within an LWIA designate an individual to convene the post-secondary Perkins/CTE providers to determine how services will be provided in the local comprehensive one-stop center and how that will be reflected in the MOU.

- 5. What if a community college district is in more than one LWIA? Do we need to provide support only for a primary LWIA or for all LWIAs encompassed in the community college district?**

A: Adult Education and post-secondary education Perkins/CTE should provide infrastructure and shared system costs in one comprehensive one-stop only, and that should be in the LWIA where they have at least 50% of their geographical area residing in that LWIA. Some colleges and Adult Education providers have chosen to participate in two LWIAs, but that is primarily because they are split nearly evenly. Examples are Lewis and Clark (LWIAs 21 and 22) and Illinois Eastern (LWIAs 23 and 26).

- 6. If a local area has more than one comprehensive one-stop centers now, do we assume we will have two going forward? If not, who is going to decide which one we keep?**

A: The decision is made locally by the local board, the local required partners in collaboration with State-level partners. If the board and required partners agree to have two comprehensive

one-stop centers, then you can have two. Having multiple would obligate all required partners in the local area to support the infrastructure costs of both comprehensive one-stop centers. In the event that local agreement is not reached about how the infrastructure costs will be shared among required partners, then the state infrastructure funding mechanism would kick in. And state infrastructure funding could only be available for one comprehensive one-stop centers in each local area (except in Chicago, which can have multiple comprehensive one-stop centers that are able to receive state infrastructure funding as a result of impasse), and then only if that comprehensive one-stop center is certified using criteria and a process specified by the IWIB.

Q&A: NEGOTIATION OF COMPREHENSIVE ONE-STOP CENTER INFRASTRUCTURE COSTS

7. Q: How are infrastructure costs under WIOA different than from the previous law, the Workforce Investment Act (WIA) of 1998?

A: WIOA requirements regarding infrastructure costs are a lot different than under WIA, which did not require infrastructure cost sharing. WIA required shared cost obligations among local partners, but they were less stringent and less emphasized. WIOA's requirements are clear that required partners must contribute to two shared costs: 1) *infrastructure* costs (non-personnel costs) to operate a comprehensive one-stop center, and 2) broader *system* costs related to service delivery in the entire local workforce innovation area (LWIA).

8. Q: If a one-stop center already exists, do we still need to fund infrastructure?

A: Yes. WIOA requires all required partners that carry out a program or activities in a local one-stop center to use a portion of funds available for the program or activities to support and maintain the one-stop delivery system, including payment of the infrastructure costs of one-stop centers (§ 678.700(c)).

9. Q: Does everybody have to share in the system costs, as well as the infrastructure costs?

A: Yes. By law, all required partners must contribute to both *infrastructure* costs of the comprehensive one-stop center, as well as the workforce delivery *system* costs throughout a local area (§ 678.700(c)). Required partners are not allowed to opt out of contributing to infrastructure costs or shared system costs, which is a new requirement under WIOA.

10. Q: Is it correct that required partners will be negotiating the two different types of costs: infrastructure costs and system costs?

A: Correct. Required partners are required to negotiate and contribute to two different types of shared costs: 1) infrastructure costs of the physical comprehensive one-stop *centers*, and 2) system-wide workforce delivery *system* costs throughout the local area.

11. Q: When are in-kind contributions allowed to cover a required partner’s share of infrastructure costs of the local comprehensive one-stop center?

A: Under WIOA, there are two funding mechanisms to cover infrastructure costs of the comprehensive one-stop centers: a local funding mechanism and a state funding mechanism.

- a) Required partners *are allowed* to make in-kind contributions toward the infrastructure costs *under the local funding mechanism*, as long as all required partners agree to the offsetting value of the in-kind contribution.
- b) Required partners are *not allowed* to make in-kind contributions *when the state funding mechanism is used*.

12. Q: What if all partners except one agree to in-kind contributions, and does that apply to all partners (not just core program partners)?

A: All seventeen (17) required partners in Illinois, not just the four core program partners, authorized under WIOA must contribute to the infrastructure costs in the comprehensive one-stop centers, where they must carry out programs and activities.

When using an “umbrella agreement” in which all required partners are covered under one MOU, then all required partners must agree to that MOU and the infrastructure cost sharing described in it. If one partner does not agree to the in-kind contributions, then there is no agreement on the MOU or the cost sharing described in it.

The alternative to an umbrella MOU is to use a program-specific MOU, which is discouraged in the Governor’s Guidelines for transparency reasons.

13. What can be included in “in-kind” contributions? Can you provide examples?

A: Under the local funding mechanism when all required partners agree on how infrastructure costs will be shared among required partners, the decision about what constitutes a “fairly evaluated” in-kind contribution is contingent on local negotiations (§ 678.715). The agreed-upon value of the in-kind contribution must offset the cash value of the infrastructure cost incurred.

- a) **Example 1 – Personnel as an in-kind contribution:** All partners agree that a comprehensive one-stop center needs a staff member to work in the resource room. A required partner agrees to provide that staff member as an in-kind contribution toward that partner’s contribution toward the one-stop center’s infrastructure costs. All required partners must agree to the value of that contribution and that it will indeed offset a cash value of an infrastructure cost (e.g., a utility bill for the facility).
- b) **Example 2 – Furniture as an in-kind contribution:** If a required partner (receiving partner) needed to purchase desks to locate services in a comprehensive one-stop center, and another required partner (contributing partner) offers existing desks as an

in-kind contribution toward the comprehensive one-stop center's infrastructure costs, then the desks contributed would free up funds the receiving partner would otherwise have to spend. These funds can then be used to pay for all or a portion of the contributing partner's infrastructure costs.

14. Q: Can staff be considered an in-kind contribution for both infrastructure costs of comprehensive one-stop centers and for shared system costs for service delivery?

A: Yes. Under the local funding mechanism when required partners agree on how costs will be shared, required partners can provide staff as an in-kind contribution toward both – their share of the infrastructure costs of the comprehensive one-stop center *and* for their share of system costs of the service delivery in the local area. To do so, local partners must agree on the dollar value of that contribution and the true offset toward the infrastructure or system costs (§ 678.715(a)(1)). (See the examples in question 13 above.)

15. Q: Senior Community Services Employment Program representatives in the past have used older workers in one-stop centers to meet cost contributions. Will this still be an option as SCSEP has no funds for monetary contributions to one-stops?

A: Staff can be provided as an in-kind contribution toward a required partner's allocation of infrastructure costs of the local comprehensive one-stop center as long as all the required partners a) agree on the cash value of that in-kind contribution and b) that the value truly offsets an agreed-upon portion of that required partner's infrastructure cost allocation.

16. Q: Can in-kind contributions to system costs be used to offset infrastructure costs?

A: No, they cannot. Infrastructure costs and system costs are two different things with different rules about what's allowable for each. Infrastructure costs are non-personnel costs of a comprehensive one-stop center. System costs are service delivery costs that are system-wide in a local area.

17. Can you explain how using FTEs works for the method of allocation of infrastructure costs?

A: First, each comprehensive one-stop center has infrastructure costs that are non-personnel costs that support the operation of the one-stop center. Those costs must be allocated to each required partner to pay its proportionate share to operate the center. Second, there needs to be a method to define each required partner's proportionate share.

- a) Under the local funding mechanism, the Governor's Guidelines say the *preferred* method for allocating infrastructure costs to each required partner is based on FTEs and must be in proportion to the relative benefits received. FTEs is not the only method of charging infrastructure costs under the local funding mechanism.

- b) Under the state funding mechanism, FTEs is the *required* method of allocating infrastructure costs to each required partner.

18. Q: What does “onsite” and “offsite” staff mean in relation to how infrastructure costs are allocated to each required partner?

A: Under WIOA, required partners have some flexibility in deciding how to deliver services at comprehensive one-stop centers. One method is to provide onsite staff, including a full-time (or FTE), or a contractor. Another method is to provide services via technology that meets WIOA’s definition of “direct linkage” (Section 121(b)(1)(A) of WIOA and § 678.300(c) and (d)).

When using direct linkage technology, required partners can provide services using staff members who are offsite but who can still provide the requested service on demand and in real time as if that staff member were in the same room as the customer. An example is using Skype between a customer in Effingham and a staff member in Springfield. The staff member who supports that direct linkage technology is counted toward the FTEs used to allocate the infrastructure costs each required partner must pay.

19. Q: What if all partners wished to a provide technology presence for the FTE? We all must admit that someone must provide in-person services, and equating that contribution the same way as an offsite FTE does not make sense.

A: There are two core partners under WIOA required to provide onsite services: Title IB and Wagner-Peyser. All other required partners have the flexibility to determine the method of service delivery. Some required partners have indicated that they are going to meet their service obligations through a mix of onsite staff and technology. Those decisions will be made locally and will vary by local area.

20. Q: Who will identify the technology that will be used for direct linkage service delivery, and who will install that technology?

A: State-level partners who have indicated that services will be made available in comprehensive one-stop centers using direct linkage technology are still in the process of identifying which specific technology (e.g., Skype) will be used. The specific methods of using technology to provide on-demand, real-time services are not yet confirmed.

21. Q: Is it correct that we can contribute a portion of our federal award to support the costs of the comprehensive one-stop center?

A: Yes. Required partners not only can, but there is an expectation that they must contribute to the infrastructure costs of operating comprehensive one-stop centers. All required partners

can expect to be allocated a portion of those costs to provide a stable and equitable funding stream for ongoing one-stop delivery system operations.

22. Q: On page 22 of the Governor’s Guidelines, the local funding mechanism is blank (in the second column) for required partners. Only the state funding mechanism is listed (in the third column). Why?

A: The grayed out box next to all of the programs listed on page 22 and 23 of the Governor’s Guidelines is not intended to indicate that the local funding mechanism does not apply to them. Rather, the gray box in the second column indicates that there are no new caps for infrastructure funding when the local mechanism is used (§ 678.720(b)). Under the state funding mechanism, WIOA establishes new caps on the amounts required partners can contribute to statewide infrastructure costs (Sec. 122(h)(2)(D) and § 678.735(c)).

23. Q: Why do some programs have to allocate a specific percentage of both program and administrative funds and others only apply a percentage of administrative funds?

A: Caps apply to required partner contributions toward their infrastructure costs only under the state funding mechanism. The law simply specifies which funds each required partner can use to make those contributions (Sec. 121(h)(2)(D)). The Federal government provided no additional explanation about why some programs can use program funds, administrative funds or both for some required partners and not others.

24. Q: How are these funding mechanisms going to prevent Title IB from paying for all infrastructure costs of comprehensive one-stop centers?

A: It is the purpose and is incumbent upon local MOU negotiations to determine how all required partners will share infrastructure costs. The Governor’s Guidelines also provide that the local board chair will appoint a private sector board member – or other impartial individual – to lead negotiations of infrastructure and system costs. The intent is for an impartial member who does not favor one program over another to lead negotiations and ensure integrity of the process for determining an equitable and stable funding for operations of the comprehensive one-stop center.

Q&A: NEGOTIATION OF LOCAL ONE-STOP DELIVERY SYSTEM COSTS

25. Q: When you say “shared costs,” are you referring to both infrastructure costs and system costs?

A: Yes. Shared costs include 1) infrastructure costs, or non-personnel costs to operate comprehensive one-stop centers), and 2) system costs, or the cost of service delivery in throughout the entire local area.

26. Q: Did the State-level partners make decisions about which shared system costs the local partners would fund?

A: The Interagency Work Group, which consists of State-level partners of all required programs in Illinois, discussed which shared system costs each would be willing and able to fund at the local level. Agreement was not reached. Conversations are ongoing. Ultimately, it is up to local partners to identify the shared system costs and to negotiate how they will be shared among required partners.

27. Q: The Governor’s Guidelines list “errors and omissions insurance” as an example of shared system costs to support local board functions. I was under the impression that we could not use federal funds for that cost.

A: The Department of Commerce confirmed that errors and omissions insurance is an allowable cost.

Q&A: NEGOTIATION PROCESS AND TIMELINE

28. Q: If the local board chair appoints a business representative to negotiate the MOU process, I am concerned that the business representative – having never been involved in MOU negotiations before – will not be able to be up to speed on WIOA and the MOU requirements.

A: The Governor’s Guidelines allow flexibility for the local board chair to designate any individual to negotiate the MOU process, and the local board chair can designate a private sector board member *or* other impartial individual to lead negotiations of infrastructure and system costs. The local board chair determines whether an individual is impartial.

29. Q: Does the impartial individual appointed by the board chair to lead local MOU negotiations have to volunteer his or her time, or can that individual be paid?

A: There are some restrictions on board members being paid, but as long as the cost incurred is an allowable cost under board bylaws and under Federal cost principles, it is possible for a local board to hire an impartial individual to facilitate the MOU negotiation process.

30. Q: Will the WIOA director and staff be the ones who direct the MOU creation and negotiation process?

A: No. The Governor’s Guidelines say that the local board chair appoints an individual to lead MOU negotiations. For infrastructure costs, the additional requirement is for the local board chair to appoint a private sector board member or other impartial individual to negotiate

infrastructure costs among the required partners. The intent is for an impartial individual to lead cost sharing negotiations to ensure integrity of the process, as well as equitable and stable funding for operating the comprehensive one-stop center.

31. Q: Who will negotiate MOUs on behalf of the required partners at the local level? Q: Does the local Illinois Department of Employment Security and the local Vocational Rehabilitation staff have authority to do the local negotiations?

A: The Governor's Guidelines say each required partner entering into an MOU negotiation process will designate a specific individual who will have the authority to commit financially and programmatically on behalf of that required partner. The Interagency Work Group, consisting of State-level partners, is in the process of identifying the specific individuals who will negotiate the MOUs in each local area. This list will be distributed as soon as possible so local negotiations can begin in January 2016. If local areas already know which individuals will negotiate their MOUs in a local area, then you are free to begin those negotiations now.

32. Q: For Adult Education, who will negotiate MOUs?

A: The Illinois Community College Board (ICCB) is in the process of drafting two policy letters governing adult education and post-secondary education programs under the Perkins Career and Technical Education Act. The draft policy letter identifies that the person responsible for MOU negotiations up front will be the local workforce innovation board (LWIB) adult education representative. The LWIB adult education representative will be responsible for convening adult education providers in the local area to discuss how they will come together to cover infrastructure and system costs in the MOU.

33. Q: What happens if the "report of outcomes from local MOU negotiations" are not reported to the Governor's designee by the 90-day deadline as required in the Governor's Guidelines? Does that start the 45-day remediation period?

A: The expectation is that all local areas will submit a report at 90 days to the Governor's designee to show where they are in the negotiation process. If that report is not submitted by March 31, the presumption is that there would be some follow-up to get a report from that area. Given the results of that report such as whether an agreement is within reach, then a determination would be made about whether remediation is needed. The letter is intended to identify local areas where there is unlikely to be an agreement before a 45-day remediation period starts.

34. Q: What is the number of hours and meetings expected for MOU negotiations? We can't predict how long or how much time any one partner will need to develop their own plan of action.

A: The commitment is extensive. Under the Governor's Guidelines in regards to the negotiation of the local budget, there are there (3) meetings prescribed. But there will also need to be meetings in between. The amount of time that it will take to negotiate MOUs will vary depending on the relationships and circumstances in each local area. One founding principle of these negotiations is that they occur in good faith, and the expectation is that there be local agreement.

It is worth noting that some of the individuals who will negotiate the MOUs will also be involved in the local and regional planning processes. Deadlines cannot be extended without being out of compliance with the law.

35. Q: Do we really think convening MOU negotiations on or before January 1 is reasonable at this point?

A: The Governor's Guidelines and the timeline prescribed were developed within the context of the demands that are created in the law and regulations. While there are legitimate concerns about the timeline and level of effort required, that is what the Governor is required to do to be in compliance with the requirements of WIOA.

36. Q: Are the timelines for negotiations that are outlined in the Governor's Guidelines going to be reviewed by the Illinois Workforce Investment Board (IWIB) due to all the transition activities, regional plans, etc., that are also due at the same time next year?

A: There is no plan for the IWIB to review the timelines. As required by law, the Governor consulted with the IWIB to generate these guidelines. Most of the timelines built into the Governor's Guidelines respond to specific requirements under the law and regulations and are designed to ensure Illinois is in compliance with those requirements. Adjusting the timelines risks noncompliance.

Also, these guidelines are now considered final and ready for implementation. However, that does not mean that the guidelines, including the timelines, will not be revised in the future. There will be ongoing efforts to improve these guidelines going forward.

37. Q: Is there a process for collecting partners' contributions for shared costs? Who or how is it going to be administered?

A: Required partners pay two levels of infrastructure costs: they pay the infrastructure costs for comprehensive one-stop centers in their local areas, but they also contribute a proportionate share of statewide infrastructure costs into a pot for distribution if any local areas cannot agree on a local infrastructure budget.

- a) For the local level, MOU negotiations will identify how costs will be shared among required partners. Then required partners will make cash contributions to ensure all

infrastructure costs of operating the comprehensive one-stop center are paid. The mechanism to transfer money will be worked out locally.

- b) At the state level, the Governor must identify each required partner's proportionate share of infrastructure costs statewide. Those funds will be held in a designated fund for distribution through the state infrastructure funding formula when local areas cannot agree on a local infrastructure budget for the comprehensive one-stop center. The actual mechanism to collect and distribute funds from the statewide infrastructure pot might require state legislation. That is the next level of detail to be worked out as local MOU negotiations occur. The mechanism needs to be in place by May 31, 2016.

Q&A: OTHER RELEVANT TOPICS

38. Q: Is the comprehensive one-stop center the sole entry or intake point for any adult that needs services from all four core partners? This is important to know because intake is a very large operation for Adult Education where students get tested and registered.

A: Adult Education intake services must be offered at every comprehensive one-stop center throughout Illinois, but that is not the only location at which adults can be brought into the Adult Education programs. The law requires all required partner programs to make their services available in each comprehensive one-stop center, either through onsite staff, contractors or technology that meets WIOA's "direct linkage" definition (Sec. 121(b)(1)(A) and § 678.300(c) and (d)). Intake services, in particular, is one of 13 career services that must be made available at each comprehensive one-stop center.

39. Q: How does the location of where a participant is registered for services affect tracking of students if they meet WIOA objectives and performance metrics?

A: For purposes of performance metrics for each core partner, it does not matter where the individual participant is attached to a program (e.g., if an Adult Education student received intake services in or out of a comprehensive one-stop center in a local area). Regardless of the site of original intake, that customer will count toward the core partner's performance measures.

Ultimately, a single intake method could be developed in Illinois, and discussions are ongoing on how to do that. However, until that system is developed, each program must track its own participants and is responsible for the performance outcomes.

40. Q: When onsite presence is required, is this a full-time requirement, or is that up to local partners?

A: Programs and activities provided by required partners in a comprehensive one-stop center must be made available during normal business hours during all five days of the workweek.

The programs and activities cannot be available only part of the time. However, local required partners can negotiate how they will work together to ensure those services are available full-time, including by sharing staff or splitting part-time shifts to carry out the programs or activities.

WHERE TO GO FOR ADDITIONAL RESOURCES

Three resources are available to obtain additional information about the Governor's Guidelines for negotiating MOUs and shared costs.

- 1. The Governor's Guidelines:** The document itself includes resources such as a glossary of relevant terms, a timeline for negotiations, a State-level service matrix to guide local service delivery decisions, a comparison of local versus state infrastructure funding mechanisms, and forms that can be formatted for functional use at the local level. An electronic copy of the Governor's Guidelines can be accessed here:

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

- 2. Program-specific contacts:** As local negotiations begin for MOUs and cost sharing among required partners, program-specific questions are likely to arise. Each State-level required partner is in the process of identifying the specific individuals who will be authorized to commit programmatically and financially during local MOU negotiations. That list will be distributed as soon as possible. Also, members of the Interagency Work Group are identifying individuals who can respond to program-specific questions as they arise during the next phase of WIOA implementation. That list will also be distributed as soon as possible and included on a monthly newsletter issued by the Interagency Work Group.
- 3. WIOA Implementation Portal:** The Illinois workNet website includes a page for updates about WIOA implementation efforts, including work papers, resources, calendars and a monthly newsletter. The monthly newsletter, "Illinois Works Together," describes activities, resources and other information about implementation efforts at the State and local levels. The portal can be accessed here:

<https://www2.illinoisworknet.com/WIOA/Outreach/Pages/WIOA-Implementation.aspx>