



<b>AGENDA</b> <b>Town Hall WIOA Informational Meeting</b> <b>July 29, 2015</b> <b>2-4pm</b>	
<b>NETWORKING</b> - with light refreshments	30 minutes
<b>WELCOME &amp; INTRODUCTIONS</b> – Erin Monroe	15 minutes
<b>WIOA UPDATES</b> – Erin Monroe	30 minutes
<b>PARTNER UPDATES – ALL</b>	30 minutes
<b>Questions</b> <b>NEXT STEPS &amp; agenda setting</b>	15 minutes

The next Partners meeting will be in August 2015.



*Workforce Snohomish Staff Designations for Workforce Innovation and Opportunity Act Committees and Task Forces  
(As developed by the Workforce Training & Education Coordinating Board)*

**WORKFORCE INNOVATION AND OPPORTUNITY ACT COMMITTEES:**

Steering Committee	Erin Monroe / WWA Representatives
Accountability and Eligible Training Provider List (ETPL)	Erin Monroe / WWA Representatives
Education & Career Pathways through Integrated Service Delivery Model	Erin Monroe / WWA Representatives
Local Governance and Sector Strategies	Erin Monroe / WWA Representatives

**WIOA STEERING COMMITTEE TASK FORCES:**

One-Stop Criteria, Assessments, MOUs, and Procurement	Mary Houston Ginny Jackson
Unified/Combined Plan	Erin Monroe Michael Choy
Technology and Access	Elizabeth Gordon Paul Garcia
Professional Development	Debbie Little Mary Houston

**ACCOUNTABILITY & ELIGIBLE TRAINING PROVIDER LIST TASK FORCES:**

Reframing Current Performance Measures	Cameron Cassidy Barbara Browning
ETPL Standards	Erin Monroe Mary Houston
Youth Provider Evaluation System	Cameron Cassidy Paul Garcia
Co-Enrollment Implications	Danielle Ford Mary Houston

**EDUCATION & CAREER PATHWAYS THROUGH INTEGRATED SERVICE DELIVERY MODEL TASK FORCES:**

Youth Services	Cameron Cassidy Mary Houston
Adult Populations with Barriers	Elizabeth Gordon Paul Garcia

**LOCAL GOVERNANCE & SECTOR STRATEGIES TASK FORCES:**

Regions Task Force	Erin Monroe / Troy McClelland (EASC) / Michael Choy
Sector Strategies Task Force	Erin Monroe / Troy McClelland (EASC) / Michael Choy
Local Governance Task Force	Erin Monroe Michael Choy



A partner of the  americanjobcenter network

## APPLICATION FOR WORKSOURCE CERTIFICATION

Organization Name:

Date:

Contact Person/Title:

Phone:

Email:

Site to be certified:

Address:

Website

Hours of Operation

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Current Certification:

WorkSource Center

Affiliate

Connection

If requesting a different certification level, check level requested:

WorkSource Center

Affiliate

Connection

## I. Introduction

One-stop sites are the portals to our state's workforce system and its broad array of career services and resources designed to help individuals acquire the skills necessary to gain meaningful employment and our businesses to access the talent pipeline that meets their human capital needs and fuels economic growth. Workforce system partners are required to collaborate to support a seamless customer-focused service delivery network. Every region across our state is unique in terms of its economy and geography, but each is actively working to create a system that provides effective services to our job seeker and business customers.

Under the Workforce Innovation and Opportunity Act (WIOA), state and local partners share common performance goals and are mandated to collaborate in developing and implementing a one-stop delivery system where services are designed with the customer in the center, resources are leveraged for maximum efficiency, and continuous improvement is the hallmark.

## II. WorkSource Principles

The success and accountability of Washington's one-stop delivery system – WorkSource – depends on the values that local Workforce Development Boards and their partners use to guide their planning and operations:

- **Integrated** – Think and act as an integrated system of partners that share common goals with services delivered by various organizations with the best capabilities for a seamless customer experience.
- **Accountable** – Committed to high quality customer services with regular program performance review based on shared data and actions that enhance outcomes.
- **Universal Access** – Meet the needs of customers by ensuring universal access to programs, services, and activities for all eligible individuals.
- **Continuous Improvement** – Create a delivery system that is responsive to employers and prioritizes services to target high demand pathways and occupations and critical job needs of vital industry sectors.
- **Partnership** – Align goals and initiatives with economic development, labor and education partners.
- **Regional Strategy** - Work with counterparts to address broader workforce needs of the regional economy and leverage resources to provide a higher quality and level of services.

## III. Certification Process

WIOA requires that there must be at least one physical one-stop career center in each local area. Other locations may also provide access to workforce system services and may include specialized centers serving targeted populations, such as youth or dislocated workers, or industry-specific centers. To achieve the goal of increased access, Washington state recognizes three levels of sites that can be certified within the one-stop service delivery system:

### **Comprehensive**

- Accessible to the general public during regular business days, as well as physically and programmatically accessible to individuals with disabilities
- Portal site for electronic access

- Provider of **basic and individualized career services, and training services**
- Representation of **five** mandated partners (WIOA Titles I-IV, TANF)
- Additional related employment and training resources

**Affiliate**

- Accessible to the general public and physically and programmatically accessible to individuals with disabilities
- Portal site for electronic access
- Provider of **basic career services**
- Representation of **one** or more mandated partners
- Additional related employment and training resources

**Connection**

- Accessible to the general public
- Portal site for electronic access
- Provider of **basic career services**
- Additional related employment and training resources

Sites seeking certification as a Comprehensive Center, Affiliate, or Connection Site are required to submit an application and receive a site visit from the Local Workforce Development Board (LWDB) Evaluation Team. Staff will answer questions about their site and how it functions to add value and provide customers with quality services as a part of the WorkSource system. This team is comprised of LWDB members and staff and other community partners with expertise in serving populations with barriers. Following the site visit and interviews, the Evaluation Team will provide a written response within 14 days indicating one of three outcomes:

1. Certification granted
2. Provisional Certification with plan and timeline for meeting standards
3. Not Certified

In support of the goals of continuous improvement of the one-stop delivery system, on an annual basis each certified site will provide a report detailing the progress toward reaching higher standards set out in the certification criteria and this information will be shared with the Local Workforce Development Board.

**IV. Checklist – System Requirements**

	Yes	No – (please provide plan for complying with this requirement)
Compliance with WorkSource System Policies		
ADA Accessibility for facility		
Use of MIS for customer tracking		
Memorandum of Understanding for partners		
WorkSource Brand used appropriately		
Wagner-Peyser services are co-located		

## REQUIRED PROGRAM/PARTNER CHECKLIST

- A. In the column named "On-Site", indicate programs/partners that are currently located on-site in your facility by entering the number of hours per week they are on-site.
- B. In the column named "Off-Site Electronic Connection", make a check mark for the programs/partners that are off-site but their basic career services are made available to customers through an electronic connection. Note: Not all customers will be able to use the electronic connection(s) without help from WorkSource staff.
- C. For programs/partners that are off-site but an agreement is in place to provide their basic career services in another manner, check the last column and attach a narrative explaining how this is accomplished (*use a separate sheet*).

REQUIRED PROGRAMS/PARTNERS	ON-SITE	OFF-SITE ELECTRONIC CONNECTION	OFF-SITE CORE MADE AVAILABLE IN ANOTHER MANNER
WIOA Title 1-B Adult Services			
WIOA Title 1-B Dislocated Worker Services			
WIOA Title 1-B Youth Services			
Wagner-Peyser Title III – Washington State Employment Security Department (ESD)			
Adult Education and Family Literacy Title II (ABE)			
Rehabilitation Act Title IV – Washington State Division of Vocational Rehabilitation (DVR)			
Title V – Older Americans Act/SCSEP			
TANF – Washington State Department of Social and Health Services (DSHS)			
Career and Technical Education Programs (postsecondary) Carl D. Perkins Act			
Trade Adjustment Assistance – Washington State Employment Security Department			
Veterans			

REQUIRED PROGRAMS/PARTNERS	ON-SITE	OFF-SITE ELECTRONIC CONNECTION	OFF-SITE CORE MADE AVAILABLE IN ANOTHER MANNER
Employment Services – Washington State Employment Security Department			
Community Services Block Grant			
Housing & Urban Development Employment & Training			
Unemployment Compensation			
Second Chance Act			

**ADDITIONAL PARTNERS (not mandated)**

ADDITIONAL PROGRAMS/PARTNERS	ON-SITE	OFF-SITE ELECTRONIC CONNECTION	OFF-SITE CORE MADE AVAILABLE IN ANOTHER MANNER
Ticket to Work and Self Sufficiency			
Small Business Administration			
SNAP Employment (BFET)			
Food and Nutrition (7 USC 2015 (o))			
VR Pilot Projects			
AmeriCorps			
Public Libraries			
Associate Development Organizations			
Local Government (City/County)			

**CAREER SERVICES CHECKLISTS**

In the column named “On-Site”, check the basic career, individualized career, and training services that are currently available on-site for all job seeking customers who come into the WorkSource center, affiliate or connection site.

<b>BASIC CAREER SERVICES</b>	<b>ON-SITE</b>	<b>BASIC CAREER SERVICES</b>	<b>ON-SITE</b>	<b>BASIC CAREER SERVICES</b>	<b>ON-SITE</b>
Eligibility determination		Outreach, intake and orientation to the information and other services available through the one-stop delivery system		Initial assessment of skill levels (including literacy, numeracy, and English language proficiency), aptitudes, abilities (including skills gaps), and supportive service needs;	
Labor exchange services, including job search and placement assistance, career counseling, provision of information on in-demand industry sectors and occupations, provision of information on nontraditional employment		Appropriate recruitment and other business services on behalf of employers, including small employers, which may include providing information and referral to specialized business services not traditionally offered through the one-stop delivery system		Referrals to and coordination of activities with other programs and services, including programs and services within the one-stop delivery system and other workforce development programs	
Workforce and labor market employment statistics information, including accurate information relating to local, regional, and national labor market areas, including job vacancy listings in labor market areas; information on job skills necessary to obtain the jobs; and information relating to local occupations in demand and the earnings, skill requirements, and opportunities for advancement for such occupations		Performance information and program cost information on eligible providers of training services and eligible providers of youth workforce investment activities, providers of adult education, providers of career and technical education activities at the postsecondary level, and career and technical education activities available to school dropouts, and providers of vocational rehabilitation		Information, in formats that are usable by and understandable to one-stop center customers, regarding how the local area is performing on the local performance accountability measures and any additional performance information with respect to the one-stop delivery system in the local area	
Information, in formats that are usable by and understandable to one-stop center customers, relating to the availability of supportive services or assistance, including child care, child support, medical or child health assistance benefits under the supplemental		Resource Room Assistance		Provision of information and assistance regarding filing claims for unemployment compensation;	



<b>BASIC CAREER SERVICES</b>	<b>ON-SITE</b>	<b>BASIC CAREER SERVICES</b>	<b>ON-SITE</b>	<b>BASIC CAREER SERVICES</b>	<b>ON-SITE</b>
nutrition assistance program, assistance through the earned income tax credit, and assistance under State program for temporary assistance for needy families, and other supportive services and transportation provided through funds made available in the local area					
Assistance in establishing eligibility for programs of financial aid assistance for training and education programs		Translation Services		Résumé Assistance	
Module 1 - Orientation to WorkSource Services		Module 2 - Skills & Abilities Analysis		Module 3 – Job Search Strategies	
Module 4 – Perfecting Applications		Module 5 – Effective Resumes & Cover Letters		Module 6- Interviewing Techniques	
<i>[Left blank for possible other basic services]</i>		<i>[Left blank for possible other basic services]</i>		<i>[Left blank for possible other basic services]</i>	

<b>INDIVIDUALIZED CAREER SERVICES</b>	<b>ON-SITE</b>	<b>INDIVIDUALIZED CAREER SERVICES</b>	<b>ON-SITE</b>	<b>INDIVIDUALIZED CAREER SERVICES</b>	<b>ON-SITE</b>
Basic Readjustment Service		Comprehensive Assessment - Transportation		Relocation	
Comprehensive and specialized evaluation to Identify barriers to employment and employment goals		Development of Individualized Employment Plan (IEP)		Group Counseling	
Individual Counseling		Career/ Vocational Planning		Short-Term Pre-employment/ Vocational Services	
Internships and work experiences		Workforce preparation activities		Financial literacy services	
Out-of-Area Job Search and relocation assistance		English language acquisition and integrated education and training programs		Follow up services	

## BUSINESS SERVICES CHECK LIST

Check the business services that are available to employers

BUSINESS SERVICES	On-Site
Establish and develop relationships and networks with large and small employers and their intermediaries	
Develop, convene, or implement industry or sector partnerships	
Customized screening and referral of qualified participants in training services to employers	
Customized services to employers, employer associations, or other such organizations, on employment-related issues	
Customized recruitment events and related services for employers including targeted job fairs	
Human resource consultation services, e.g., writing/reviewing job descriptions and employee handbooks; Developing performance evaluation and personnel policies; Creating orientation sessions for new workers; Honing job interview techniques for efficiency and compliance; Analyzing employee turnover; or Explaining labor laws to help employers comply with wage/hour and safety/health regulations;	
Customized labor market information for specific employers, sectors, industries or clusters	
Customized assistance or referral for assistance in the development of a registered apprenticeship program	
Listing of Job Orders	
Applicant Referral	
Employer Needs Assessment	
Unemployment Insurance Access	
Access to Facilities	
Translation Services	
Developing and delivering innovative workforce investment services and strategies for area employers, e.g., career pathways, skills upgrading, skill standard development and certification for recognized postsecondary credential or other employer use, apprenticeship, and other effective initiatives for meeting the workforce investment needs of area employers and workers	
Assistance in managing reductions in force in coordination with rapid response activities and with strategies for the aversion of layoffs, and the delivery of employment and training activities to address risk factors	
Marketing of business services offered to appropriate area employers, including small and mid-sized employers	
Assisting employers with accessing local, State, and Federal tax credits	

## V. Certification Criteria

The Certification application is one step in the ongoing pursuit of growth, quality improvement, and performance excellence. Attainment of certification provides assurance to the public that WorkSource has achieved a high standard and consistently maintains and improves upon that standard. The following quality standards are the criteria by which Washington’s local Workforce Development Board’s assess and certify One-Stop Centers, Affiliates, and Connection Sites.

Each site is asked to work together with leadership and staff to develop responses to the following:

- I. Rank on a scale of 1 to 5, where the site believes it is in its path toward meeting, or exceeding, the stated standard.
    - 5 = achieved the standard and excelling
    - 4 = significantly meeting standard with some work yet to do
    - 3 = have some of the elements in place, some of the time
    - 2 = making progress but long way to go
    - 1 = no progress yet
  - II. Provide **clear evidence** and **examples** of current status and future plans with strategies and timelines to reach these standards.
- **Functional and Programmatic Integration** - It is critical for WorkSource and its partners to think and act as an integrated system. WorkSource partners ensure that client services are aligned to common goals and the customer experience is seamless – regardless of funding streams. Each customer is mutually regarded as a shared customer, with all staff and programs operating at the site having a vested stake in that customer’s success. Integration of programs is incorporated into planning, intake, assessment, registration, and service processes, information sharing, resource decisions, actions, results, and analyses.

**Check the box where you think the site is with regard to Functional and Programmatic integration.**

5       4       3       2       1

Describe your site’s approach to integrated service delivery and the use of functional teams to deliver career services to all customers.

Include a detailed diagram of customer flow, services available, assessment and referrals, and describe how the MIS is used to facilitate shared customer management across partner programs.

*Please list any best practices to highlight and share for continuous improvement.*

- **Performance and Accountability** - Results and outcomes for the public investment in WorkSource are essential to the WorkSource system’s relevance. The effectiveness of WorkSource for employers and job seekers is evident in system performance and service delivery decisions are based on data. On an ongoing basis, customer data from one-stop partners and regional economic data is collected, analyzed, and shared with all workforce system staff and community stakeholders. Plans for improvement, enhancement, or adjustment are established and acted upon.

**Check the box where you think the site is with regard to Performance and Accountability.**

5       4       3       2       1

Describe how you measure, analyze, review, and improve WorkSource system performance through the use of data and information.

Describe how this data is shared with staff and stakeholders and what changes have resulted from use of data. How has data been used (example) to improve services?

*Please list any best practices to highlight and share for continuous improvement.*

- **Service Provision, including Services, Access, and Outreach to populations with barriers** – Improved availability, a welcoming atmosphere, inclusive settings, and high quality customer service benefit all customers. WorkSource extends services and outreach not just to individuals who walk in the door, but also to those who have become disengaged in the labor force. Integrated, quality services are provided to all customers within the center and via technology through online or phone access. Principles of universal design are considered which designs inclusive space and materials to be available to individuals regardless of their range of abilities, mobility, age, language, learning style, intelligence, or educational level.

**Check the box where you think the site is with regard to Service Provision to all customers, including Services, Access, and Outreach to populations with barriers.**

5

4

3

2

1

Describe how the site works cooperatively with WIOA core partners to provide quality services to all customers. Describe your outreach to populations with barriers in the community and relationship with core program and community partners to effectively serve them.

Provide evidence that basic ADA requirements have been met.

Describe initiatives or strategies in developing universal access and provide tangible evidence of implementation or solution driven plan development.

Describe your wireless internet infrastructure, availability of all collateral and workshop content via digital means, and steps to accomplish these technological solutions.

How are the needs of populations with barriers met through staff-assisted and other means?

*Please list any best practices to highlight and share for continuous improvement.*

- **Customer Satisfaction** - Performance and value are ultimately judged by customers – businesses and job seekers. Customer-centered design relies upon satisfying customer needs, identifying shortcomings and responding accordingly on a timely and ongoing basis. Tools to obtain feedback are appropriate for each customer's use take into consideration factors including literacy levels, use of technology, disability, and language.

**Check the box where you think the site is with regard to Customer Satisfaction.**

5

4

3

2

1

Describe how the voice of the customer is listened to and how your site incorporates both job seeker and business customer feedback as part of continuous quality improvement? How are the voices of populations with barriers heard and brought to the table when designing services and facilities? How do you inform customers of how their feedback was reviewed and any action taken from their feedback? What metrics are used to show improvement and success?

*Please list any best practices to highlight and share for continuous improvement.*

- **Staff Proficiency and Staff Training Participation** - Professional development is a key feature in order to ensure that staff are aware of the implications of recent evidence-based research and can implement the latest policies and procedures established at the local, State and Federal levels. Also of vital importance is the use of labor market information by staff to better inform customers' career and training decision-making. The investment in staff development is substantial, ongoing, and focused on cross-training with partner programs, overall skill development, and use of labor market information. Every member of the one-stop staff has the ability and authority to meet customer needs, either directly or, where appropriate, by helping the customer make the right connections to the expertise he or she seeks. Participation in one-stop-sponsored training is required.

**Check the box where you think the site is with regard to Staff Proficiency and Staff Training Participation.**

5

4

3

2

1

What methods are in place for staff to provide feedback? How do you incorporate staff feedback as part of continuous quality improvement? How are staff informed how their feedback was reviewed and any action taken from their feedback? What metrics are used to show improvement and success?

How are staff and leadership trained and cross-trained on an ongoing basis to stay current on programs and services? How is this tracked to ensure all staff participate?

How do you actively engage staff of all programs – Adult, Dislocated Worker, Youth, Wagner-Peyser, TANF, ABE, DVR, Perkins, etc. – in design of services, action planning and analysis of indicators and trends? How are all staff informed of progress towards site performance and goals?

*Please list any best practices to highlight and share for continuous improvement.*

- **Partnership** – The one-stop system is built upon a foundation of partners linked together to deliver a comprehensive array of services and reach the shared outcomes of employment, education, skills gains, and earnings. All core and required one-stop partners are present at the site and invested in the development and implementation of service delivery to connect customers to resources and

**Check the box where you think the site is with regard to Partnership.**

5                       4                       3                       2                       1

Describe how the partnerships function at the site and the roles of each core partner from Title I – Adult, Dislocated Worker, and Youth, Title II - Adult Basic Education, Title III - Wagner-Peyser, Title IV - Vocational Rehabilitation, and TANF.

Describe how the partnerships function at the site with other required partners from postsecondary Career and Technical Education (Perkins Act), CSBG, HUD, Job Corps, National Farmworker Jobs Program, Re-entry programs, SCSEP, TAA, UI, VETS, and YouthBuild.

Describe how the site is linked to other partners beyond the site to ensure alignment with community and regional strategies. Please give examples of how this functions and the results for customers.

Describe how leadership works together to set the vision and goals for the site and then implements service strategies to achieve shared objectives.

*Please list any best practices to highlight and share for continuous improvement.*

- **Employer Engagement** – Business is one of our primary customers and one-stop partners work collaboratively to deliver value-added services and eliminate duplication. Business services staff from all one-stop partners have a comprehensive understanding of labor market conditions, economic development activities, skill needs of the workforce and are connected to regional and local business partnership activities and sector strategies. Employers’ human capital needs are communicated to and acted upon by the workforce system. Business services are coordinated to the maximum extent possible to limit duplication and streamline the employer experience.

**Check the box where you think the site is with regard to Employer Engagement.**

5                       4                       3                       2                       1

Describe how partners work to deliver seamless business services. How do business services staff use and share labor market information? What strategies are used to involve employers in identifying skill gaps and developing solutions to meet their workforce needs?

Describe how regional and local sector strategies are used to target services and resources to focus workforce efforts on investments and improve outcomes.

How are career pathways and training modalities such as industry-recognized credentials, apprenticeship, on-the-job training, and other work-based learning opportunities aligned with employers’ needs and marketed to support talent development?

*Please list any best practices to highlight and share for continuous improvement.*

WIOA Steering Committee  
Association of Washington Business  
1414 Cherry Street SE, Olympia, WA  
8:30 AM – 12:30 PM  
**Call-in phone number: 1-888-205-5546 | Meeting number 468476**  
**Tuesday, July 28, 2015**

## AGENDA

8:30 AM Welcome by Co-chairs/Introductions  
Review Agenda

8:45 AM **Presentation on Monster.com**  
Jan Oswald, ESD

### **Reaching Consensus on Primary Strategies in WIOA Plan Development**

Review of key priorities  
Setting the stage for further discussions

### **Recommendations from Subcommittees**

Education Pathways and Integrated Service Delivery  
Local Governance and Sector Strategies  
Accountability and ETPL

### **Recommendations from Task Forces**

Unified/Combine Plan (1)  
One-Stop Certification Process (1)  
Professional Development (1)  
Technology and Access (3)

### **Steering Committee Meeting Schedule** *(proposed)*

September 8                      October 6  
November 10                      December 8  
January 5 (Plan in public comment period)  
February 9 (Plan preparation for submittal on March 2)

Identify Next Steps

Public Comment (Please limit individual public comments to 3 minutes)

Adjourn

Staff Contact:  
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**Terri Colbert**  
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### **Next meeting date:**

Tuesday, September 8, 2015 / 8:30 a.m. - 12:30 p.m.  
Washington State Labor Council  
Olympia, WA

**WIOA Sec. 121 Establishment of One-Stop Delivery Systems**

(c) MEMORANDUM OF UNDERSTANDING.—

(1) DEVELOPMENT.—The local board, with the agreement of the chief elected official, shall develop and enter into a memorandum of understanding (between the local board and the one-stop partners), consistent with paragraph (2), concerning the operation of the one-stop delivery system in the local area.

(2) CONTENTS.—Each memorandum of understanding shall contain—

(A) provisions describing—

(i) the services to be provided through the onestop delivery system consistent with the requirements of this section, including the manner in which the services will be coordinated and delivered through such system;

(ii) how the costs of such services and the operating costs of such system will be funded, including—

(I) funding through cash and in-kind contributions (fairly evaluated), which contributions may include 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; and

(II) funding of the infrastructure costs of onestop centers in accordance with subsection (h);

(iii) methods of referral of individuals between the one-stop operator and the one-stop partners for appropriate services and activities;

(iv) methods to ensure the needs of workers and youth, and individuals with barriers to employment, including individuals with disabilities, are addressed in the provision of necessary and appropriate access to services, including access to technology and materials, made available through the one-stop delivery system; and

(v) the duration of the memorandum of understanding and the procedures for amending the memorandum during the duration of the memorandum, and assurances that such memorandum shall be reviewed not less than once every 3-year period to ensure appropriate funding and delivery of services; and

(B) such other provisions, consistent with the requirements of this title, as the parties to the agreement determine to be appropriate.

(h) FUNDING OF ONE-STOP INFRASTRUCTURE.—

(1) IN GENERAL.—

(A) OPTIONS FOR INFRASTRUCTURE FUNDING.—

(i) LOCAL OPTIONS.—The local board, chief elected officials, and one-stop partners described in subsection

(b)(1) in a local area may fund the costs of infrastructure of one-stop centers in the local area through—

(I) methods agreed on by the local board, chief elected officials, and one-stop partners (and described in the memorandum of understanding described in subsection (c)); or

(II) if no consensus agreement on methods is reached under subclause (I), the State infrastructure funding mechanism described in paragraph (2).

(ii) FAILURE TO REACH CONSENSUS AGREEMENT ON FUNDING METHODS.—Beginning July 1, 2016, if the local board, chief elected officials, and one-stop partners described in subsection (b)(1) in a local area fail to reach consensus agreement on methods of sufficiently funding the costs of infrastructure of one-stop centers for a program year, the State infrastructure funding mechanism described in paragraph (2) shall be applicable to such local area for that program year and for each subsequent program year for which those entities and individuals fail to reach such agreement.

(B) GUIDANCE FOR INFRASTRUCTURE FUNDING.—In addition to carrying out the requirements relating to the State infrastructure funding mechanism described in paragraph (2), the Governor, after consultation with chief elected officials, local boards, and the State board, and consistent with the guidance and policies provided by the State board under subparagraphs (B) and (C)(i) of section 101(d)(7), shall provide, for the use of local areas under subparagraph (A)(i)(I)—

(i) guidelines for State-administered one-stop partner programs, for determining such programs' contributions to a one-stop delivery system, based on such programs' proportionate use of such system consistent with chapter II of title 2, Code of Federal Regulations (or any corresponding similar regulation



or ruling), including determining funding for the costs of infrastructure, which contributions shall be negotiated pursuant to the memorandum of understanding under subsection (c); and officials, and one-stop partners in local areas in determining equitable and stable methods of funding the costs of infrastructure of one-stop centers in such areas.

**(2) STATE ONE-STOP INFRASTRUCTURE FUNDING.—**

**(A) DEFINITION.—**In this paragraph, the term “covered portion”, used with respect to funding for a fiscal year for a program described in subsection (b)(1), means a portion determined under subparagraph (C) of the Federal funds provided to a State (including local areas within the State) under the Federal law authorizing that program described in subsection (b)(1) for the fiscal year (taking into account the availability of funding for purposes related to infrastructure from philanthropic organizations, private entities, or other alternative financing options).

**(B) PARTNER CONTRIBUTIONS.—**Subject to subparagraph (D), for local areas in a State that are not covered by paragraph (1)(A)(i)(I), the covered portions of funding for a fiscal year shall be provided to the Governor from the programs described in subsection (b)(1), to assist in paying the costs of infrastructure of one-stop centers in those local areas of the State not adequately funded under the option described in paragraph (1)(A)(i)(I).

**(C) DETERMINATION OF GOVERNOR.—**

**(i) IN GENERAL.—**Subject to clause (ii) and subparagraph (D), the Governor, after consultation with chief elected officials, local boards, and the State board, shall determine the portion of funds to be provided under subparagraph (B) by each one-stop partner from each program described in subparagraph (B). In making such determination for the purpose of determining funding contributions, for funding pursuant to clause (i)(II) or (ii) of paragraph (1)(A) by each partner, the Governor shall calculate amounts for the proportionate use of the one-stop centers in the State, consistent with chapter II of title 2, Code of Federal Regulations (or any corresponding similar regulation or ruling), taking into account the costs of administration of the one-stop delivery system for purposes not related to one-stop centers, for each partner. The Governor shall exclude from such determination of funds the amounts for proportionate use of one-stop centers attributable to the programs of one-stop partners for those local areas of the State where the costs of infrastructure of one-stop centers are funded under the option described in paragraph (1)(A)(i)(I). The Governor shall also take into account the statutory requirements for each partner program and the partner program’s ability to fulfill such requirements.

**(ii) SPECIAL RULE.—**In a State in which the State constitution or a State statute places policymaking authority that is independent of the authority of the Governor in an entity or official with respect to the funds provided for adult education and literacy activities authorized under title II, postsecondary career and technical education activities authorized under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.), or vocational rehabilitation services offered under a provision covered by section 3(13)(D), the determination described in clause (i) with respect to the programs authorized under that title, Act, or provision shall be made by the chief officer of the entity, or the official, with such authority in consultation with the Governor.

**(D) LIMITATIONS.—**

**(i) PROVISION FROM ADMINISTRATIVE FUNDS.—**

**(I) IN GENERAL.—**Subject to subclause (II), the funds provided under this paragraph by each onestop partner shall be provided only from funds available for the costs of administration under the program administered by such partner, and shall be subject to the program’s limitations with respect to the portion of funds under such program that may be used for administration.

**(II) EXCEPTIONS.—**Nothing in this clause shall be construed to apply to the programs carried out under this title, or under title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.).

**(ii) CAP ON REQUIRED CONTRIBUTIONS.—**For local areas in a State that are not covered by paragraph (1)(A)(i)(I), the following rules shall apply:

**(I) WIA FORMULA PROGRAMS AND EMPLOYMENT SERVICE.—**The portion of funds required to be contributed under this paragraph from a program authorized under chapter 2 or 3, or the Wagner-Peyser Act (29 U.S.C. 49 et seq.) shall not exceed 3 percent of the amount of Federal funds provided to carry out that program in the State for a fiscal year.

**(II) OTHER ONE-STOP PARTNERS.—**The portion of funds required to be contributed under this paragraph from a program described in subsection (b)(1) other than the programs described in subclause

(I) shall not exceed 1.5 percent of the amount of Federal funds provided to carry out that program in the State for a fiscal year.

(III) VOCATIONAL REHABILITATION.—Notwithstanding subclauses (I) and (II), an entity administering a program described in subsection (b)(1)(B)(iv) shall not be required to provide from that program, under this paragraph, a portion that exceeds—

(aa) 0.75 percent of the amount of Federal funds provided to carry out such program in the State for the second full program year that begins after the date of enactment of this Act;

(bb) 1.0 percent of the amount provided to carry out such program in the State for the third full program year that begins after such date;

(cc) 1.25 percent of the amount provided to carry out such program in the State for the fourth full program year that begins after such date; and

(dd) 1.5 percent of the amount provided to carry out such program in the State for the fifth and each succeeding full program year that begins after such date

iii) FEDERAL DIRECT SPENDING PROGRAMS.—For local areas in a State that are not covered by paragraph (1)(A)(i)(I), an entity administering a program funded with direct spending as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985, as in effect on February 15, 2014 (2 U.S.C. 900(c)(8)) shall not be required to provide, for purposes of this paragraph, an amount in excess of the amount determined under subparagraph (C)(i) to be equivalent to the cost of the proportionate use of the one-stop centers for the one-stop partner for such program in the State.

(iv) NATIVE AMERICAN PROGRAMS.—One-stop partners for Native American programs established under section 166 shall not be subject to the provisions of this subsection (other than this clause) or subsection (i). For purposes of subsection (c)(2)(A)(ii)(II), the method for determining the appropriate portion of funds to be provided by such partners to pay for the costs of infrastructure of a one-stop center shall be determined as part of the development of the memorandum of understanding under subsection (c) for the one-stop center and shall be stated in the memorandum.

(E) APPEAL BY ONE-STOP PARTNERS.—The Governor shall establish a process, described under section 102(b)(2)(D)(i)(IV), for a one-stop partner administering a program described in subsection (b)(1) to appeal a determination regarding the portion of funds to be provided under this paragraph. Such a determination may be appealed under the process on the basis that such determination is inconsistent with the requirements of this paragraph. Such process shall ensure prompt resolution of the appeal in order to ensure the funds are distributed in a timely manner, consistent with the requirements of section 182(e).

(3) ALLOCATION BY GOVERNOR.—

(A) IN GENERAL.—From the funds provided under paragraph (1), the Governor shall allocate the funds to local areas described in subparagraph (B) in accordance with the formula established under subparagraph (B) for the purposes of assisting in paying the costs of infrastructure of one-stop centers.

(B) ALLOCATION FORMULA.—The State board shall develop a formula to be used by the Governor to allocate the funds provided under paragraph (1) to local areas not funding costs of infrastructure under the option described in paragraph (1)(A)(i)(I). The formula shall be based on factors including the number of one-stop centers in a local area, the population served by such centers, the services provided by such centers, and other factors relating to the performance of such centers that the State board determines are appropriate.

(4) COSTS OF INFRASTRUCTURE.—In this subsection, the term “costs of infrastructure”, used with respect to a onestop center, means the nonpersonnel costs that are necessary for the general operation of the one-stop center, including the rental costs of the facilities, the costs of 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 the center’s planning and outreach activities.

(i) OTHER FUNDS.—

(1) IN GENERAL.—Subject to the memorandum of understanding described in subsection (c) for the one-stop delivery system involved, in addition to the funds provided to carry out subsection (h), a portion of funds made available under Federal law authorizing the programs described in subsection (b) and administered by one-stop partners, or the noncash resources available under such programs, shall be used to pay the additional costs relating to the operation of the one-stop delivery system that are not paid from the funds provided under subsection (h), as determined in accordance with paragraph (3), to the extent not inconsistent with the Federal law involved. Such costs shall include the costs of the provision of career

services described in section 134(c)(2) applicable to each program and may include common costs that are not paid from the funds provided under subsection (h).

(2) **SHARED SERVICES.**—The costs described under paragraph (1) may include 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 other similar services.

(3) **DETERMINATION AND GUIDANCE.**—The method for determining the appropriate portion of funds and noncash resources to be provided by the one-stop partner for each program under paragraph (1) for a one-stop center shall be determined as part of the development of the memorandum of understanding under subsection (c) for the one-stop center and shall be stated in the memorandum. The State board shall provide guidance to facilitate the determination, for purposes of the memorandum of understanding, of an appropriate allocation of the funds and noncash resources in local areas, consistent with the requirements of section 101(d)(6)(C).

## **Workforce Innovation and Opportunity Act; Joint Rule for Unified and Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions; Notice of Proposed Rulemaking**

Proposed § 678.300(f) requires that the description of the one-stop delivery system be included in the Memorandum of Understanding (MOU) required at proposed 20 CFR 678.500.

### **4. Subpart C— Memorandum of Understanding for the One-Stop Delivery System**

This subpart describes the requirements for the MOU between the Local Board, CEO, and the one-stop partners relating to the operation of the one-stop delivery system in the local area. The Local Board acts as the convener of MOU negotiations and shaper of how local onestop services are delivered.

#### **§ 678.500 What is the Memorandum of Understanding for the one-stop delivery system and what must be included in the Memorandum of Understanding?**

Proposed § 678.500 describes what must be included in the MOU executed between the Local Board, with the agreement of the CEO, and the one-stop partners relating to the operation of the one-stop delivery system in the local area.

Proposed § 678.500(a) establishes that two or more local areas in a region may develop a single joint MOU when the areas submit a regional plan. The Departments encourage regional planning, and allowing joint MOUs to support regional planning, particularly where local areas have the same one-stop operator, are providing business services at a regional level, or have planned other joint activities typically discussed in an MOU.

The MOU must include the provisions described in paragraphs (b) through (e) of the section, consistent with WIOA sec. 121(c)(2). As stated in proposed § 678.500(b), the MOU must include the final plan, or an interim plan if needed, on how the costs of the services and the operating costs of the one-stop system will be funded. Shared operating costs may include shared costs of the Local Board, as stated in proposed § 678.760. The MOU must also contain all of the information about infrastructure costs listed in proposed § 678.755. When fully executed, the MOU must contain the signatures of the Local Board, one-stop partners, the CEO(s), and the period in which the agreement is effective, and the MOU must be periodically updated to reflect any changes in the signatories or one-stop infrastructure funding. Signatures to the MOU indicate that the MOU has been executed. A lack of signatures for the MOU means that the Local Board has not established an MOU.

#### **§ 678.505 Is there a single Memorandum of Understanding for the local area, or must there be separate Memoranda of Understanding between the Local Board and each partner?**

Proposed § 678.505 establishes that a Local Board and one-stop partners may develop a single “umbrella” MOU that applies to all partners, or develop separate agreements between the Local Board and each partner or groups of partners. Under either approach, the MOU requirements described in § 678.500 apply. The Departments encourage States and local areas to use “umbrella” MOUs to facilitate transparent, flexible agreements that are not burdensome, so that partners may focus upon service delivery.

### **§ 678.510 How should the Memorandum of Understanding be negotiated?**

Proposed § 678.510 describes the collaborative and good-faith approach Local Boards and partners are expected to use to negotiate MOUs. “Good faith” may include fully and repeatedly engaging partners, transparently sharing information, and maintaining a shared focus on the needs of the customer.

Proposed § 678.510(a) allows Local Boards, CEOs, and partners to request assistance from a State agency responsible for the program, the Governor, State Board, or other appropriate parties when negotiating the MOU.

Proposed § 678.510(b) describes options for including the infrastructure cost plans in the MOU; the MOU may include an interim infrastructure funding plan in the MOU, as described in proposed § 678.715(c). This may be particularly needed if the local area uses the State infrastructure cost funding mechanism, as described in proposed § 678.730, to enable the local area to move forward with implementing one-stop service delivery in areas where there is agreement. The MOU must be amended once a final infrastructure cost plan is determined.

Proposed § 678.510(c) describes how to address MOU impasses. Consistent with WIA regulations, any local area in which a Local Board has failed to execute an MOU with all of the required partners is not eligible for State incentive grants and these sanctions are in addition to, not in lieu of, any other remedies that may be applicable to the Local Board or to each partner for failure to comply with any statutory requirements.

## **6. Subpart E—One-Stop Operating Costs**

One-stop partner funding of infrastructure costs is intended to:

- (1) Maintain the one-stop delivery system to meet the needs of the local areas;
- (2) Reduce duplication by improving program effectiveness through the sharing of services, resources and technologies among partners;
- (3) Reduce overhead by streamlining and sharing financial, procurement, and facilities costs;
- (4) Encourage efficient use of information technology to include where possible the use of machine readable forms and shared management systems; and
- (5) Ensure that costs are appropriately shared by one-stop partners by basing contributions on proportionate share of use, and requiring that all funds are spent solely for allowable purposes in a manner consistent with the applicable authorizing statute and all other applicable legal requirements, including the Federal cost principles; and
- (6) Ensure that services provided by the one-stop partners to reduce duplication or to increase financial efficiency at the one-stop centers are allowable under the partner’s program.

### **§ 678.700 What are one-stop infrastructure costs?**

Proposed § 678.700 provides the definition for infrastructure costs based on sec. 121(h)(4) of WIOA. In addition to those items, the section adds common one-stop delivery system identifier costs. These costs are those associated with signage and other expenses related to the one-stop common identifier as required by sec. 121(e)(4) of WIOA. The Departments seek comments as to other common identifier costs, or other types of costs, to include in the definition of infrastructure costs. Jointly funding services is a necessary foundation for an integrated service delivery system.

Proposed § 678.700(c) reiterates that all partner contributions to the costs of operating and providing services within the one-stop center system must adhere to the partner program's Federal authorizing statute, and to all other applicable legal requirements, including the Federal cost principles that require costs that are allowable, reasonable, necessary and allocable. There are a variety of methods to allocate costs, for instance: based on proportion of a partner program's customers of all customers coming to the one-stop, proportion of partner program's staff among all staff at the one-stop, or based on a partner program's use of a particular expense item such as certain equipment. The DOL's previous Financial Management Technical Assistance Guide published for WIA remains useful for cost allocation explanations. See [http://www.doleta.gov/grants/pdf/TAG\\_PartI.pdf](http://www.doleta.gov/grants/pdf/TAG_PartI.pdf) and [http://www.doleta.gov/grants/pdf/TAG\\_PartII\\_July2011.pdf](http://www.doleta.gov/grants/pdf/TAG_PartII_July2011.pdf). The DOL and ED jointly will update this guide and provide technical assistance on cost allocation.

### **§ 678.705 What guidance must the Governor issue regarding one-stop infrastructure funding?**

Proposed § 678.705 addresses the requirement in sec. 121(h)(1)(B) of WIOA for the Governor to issue guidelines to State programs and guidance to local areas regarding infrastructure funding. The Departments have interpreted the statute also to require that the local areas follow these guidelines, and to allow the State grantee to monitor local areas for compliance with the Governor's guidance. The proposed section includes certain requirements for the Governor's guidance, including establishing roles, defining equitable and efficient methods for negotiating around infrastructure costs, and establishing timelines for local areas. These requirements are essential to ensuring a consistent general approach to the Governors' guidance across States, and appropriate timeframes which then allow for one-stop certification, competition of one-stop operator, and inclusion of funding agreement terms into the local State plan. The proposed rule allows for different methods of reaching consensus, and different ways for the Governor to interact with a local area during the consensus-building process. The Departments seek comments about the types of information or requirements local areas would like to see included in guidance issued by the Governor.

### **§ 678.710 How are infrastructure costs funded?**

Proposed § 678.710 indicates that sec. 121(h)(1) of WIOA establishes two methods for funding the infrastructure costs of one-stop centers: a local one-stop funding mechanism and a State one-stop funding mechanism. Both methods utilize the funds provided to one-stop partners by their authorizing legislations. There is no separate funding source for one-stop infrastructure costs.

### **§ 678.715 How are one-stop infrastructure costs funded in the local funding mechanism?**

Proposed § 678.715 addresses the local funding mechanism. Local Boards, in consultation with CEOs, should engage one-stop partners early in discussions about one-stop center locations and other services, so that decisions about physical locations and services are cooperatively made, and can be financially supported by the partners within the workforce system. Under the local mechanism, local partners can contribute amounts in excess of the limitations contained under the State funded infrastructure mechanism at sec. 121(h)(2)(D)(ii) of WIOA, if the parties agree that is the proportionate share of their use for reasonable one-stop infrastructure costs and it is consistent with the Federal authorizing statute and other applicable legal requirements, including Federal cost principles. Under this proposed paragraph, agreement is achieved when all of the one-stop partners sign the MOU with the Local Board, which includes a final agreement regarding funding of infrastructure that includes the elements listed in proposed § 678.755, or an interim funding agreement that includes as many of these elements as possible.

**§ 678.720 What funds are used to pay for infrastructure costs in the local one-stop infrastructure funding mechanism?**

Proposed § 678.720 explains the funding that one-stop partners can use to pay for infrastructure cost contributions. Partner programs can determine the funds they will use, but these funds must still meet the requirements of the program's relevant statutes and regulations. Further, all one-stop partners must work together to administer the partner programs and the onestop and other activities of the core programs under WIOA as efficiently and effectively as possible. This will ensure that, as recipients and stewards of Federal funds for all of these programs, the partners and their subrecipients administer these programs and activities to meet all applicable legal requirements and goals. Different Federal statutes and regulations define administrative costs slightly differently. Some programs' statutes and regulations define all of the infrastructure costs listed in § 678.700 as administrative costs, some programs' statutes and regulations define some of the infrastructure costs as administrative costs, and some as program costs. Under this proposed paragraph, one-stop partner programs must adhere to the administrative and program cost limitations of their program's statutes and regulations.

Proposed § 678.720(a) would give State agencies responsible for title II of WIOA or the Carl D. Perkins Career and Technical Education Act of 2006 (Perkins Act) great flexibility in determining how to pay for infrastructure costs under the local one-stop funding mechanism. It would permit a State eligible agency under title II of WIOA to use Federal funds that were available for State administration of title II of WIOA. Similarly, proposed § 678.720 would permit a State eligible agency under the Perkins Act to use Federal funds that were available for State administration of post-secondary level programs or activities. Additionally, proposed § 678.720 would permit a State eligible agency under title II of WIOA or the Perkins Act to use non-Federal funds that these State agencies contribute to meet these programs' matching or maintenance of effort requirements in lieu of the State's administrative funds from its Federal grants. Further, if a State eligible agency were to delegate to a local entity or a consortium of local entities the authority to serve as the local one-stop partner pursuant to proposed § 678.415(b) and (e), the entity or consortium could contribute local administrative funds for title II of WIOA or the Perkins Act, respectively, to the infrastructure costs in lieu of a contribution from the State's administrative funds from its Federal grants. The goal of providing the State agencies with this flexibility is to enable them to meet their responsibilities for paying one-stop infrastructure costs in a manner that best allows them to meet their responsibilities as one-stop partners and grantees under title II of WIOA or the Perkins Act. The Departments seek public comment on whether the proposed regulation would achieve this goal.

**§ 678.725 What happens if consensus on infrastructure funding is not reached at the local level between the Local Board, chief elected officials, and one-stop partners?**

Proposed § 678.725 states that failure to sign the MOU containing the final infrastructure funding agreement or interim agreement by the beginning of each PY would trigger the State one-stop infrastructure funding mechanism. The proposed section states that Local Boards must notify the State if they cannot reach consensus. This notification policy must be included in the Governor's guidance, as required by proposed § 678.705(b)(3). The State monitors the local areas to address violations of State guidance. The Governor's guidance might establish an earlier date for notification to the State of milestones or decision points in the negotiation process.

**§ 678.730 What is the State one-stop infrastructure funding mechanism?**

Proposed § 678.730 discusses the State infrastructure funding mechanism. In establishing a State-funded alternative to the local one-stop infrastructure funding mechanism, the statute ensures infrastructure costs will still be funded if one-stop partners cannot agree on their

contribution amounts to fund the infrastructure of the one-stop center. An important goal under both the local and State funding mechanisms is to ensure that each one-stop partner contributes its proportionate share to the funding of one-stop infrastructure costs, consistent with the Federal cost principles. This is in alignment with the requirements in the new Uniform Requirements, cost principles and audit requirements issued on December 26, 2014 (2 CFR part 200). In the State infrastructure funding mechanism, the Governor determines how much each partner will contribute, as described in proposed §§ 678.735 and 678.740. The State Board determines how the contributed funds will be allocated out to local areas, as described in proposed § 678.745.

### **§ 678.735 How are partner contributions determined in the State one-stop funding mechanism?**

In the State-funded option proposed in §§ 678.735(a)-(b), the Governor, after consultation with State and Local Boards and CEOs, will determine the amount each partner must contribute to assist in paying the infrastructure costs of one-stop centers. The Governor must calculate amounts based on the proportionate use of the one-stop centers by each partner and other factors stated in proposed § 678.735(a). Proposed § 678.735(b) clarifies that because Native American Program grantees under part 684 of this proposed rule have a government-to government relationship, the Governor does not determine the contribution amounts for infrastructure grants from these grantees. The Native American Programs, as required one-stop partners, must contribute to infrastructure funding, and must negotiate with the Local Board on that contribution amount. The Local Board and Native American Program grantee can ask for assistance from the State in negotiating the MOU and infrastructure cost funding, and can also consult with DOL to resolve any impasse.

Proposed § 678.735(c) includes the limitation for one-stop partners' contributions, based on a percentage of their funding allocation, from sec. 121(h)(2)(D)(ii) of WIOA. These limitations do not apply to the local one-stop funding mechanism. However, the use of a program partner's funds must meet the requirements of the program's authorizing statute, all other applicable legal requirements, and the requirements in this subpart. Proposed § 678.735(c)(1) states that the cap on WIOA formula and Wagner-Peyser required contributions will not exceed 3 percent of the amount of funds provided to carry out that program for a PY. Although WIOA sec.

121(h)(2)(D)(ii)(I) refers to a fiscal year, WIOA and Wagner-Peyser funds are provided on a PY basis (which is from July 1 through June 30 of the following year). Therefore, calculating on a fiscal year basis would cause numerous administrative difficulties, because the WIOA and Wagner-Peyser formula programs receive their appropriations at two different times during the fiscal year. This interpretation is consistent with the statute because under WIOA sec.

121(h)(1)(A)(ii) the determination of whether the State infrastructure funding mechanism will apply occurs on July 1, at the beginning of each PY.

Proposed § 678.735(c)(2) includes a clarification that the 1.5 percent cap on contribution applies to the relevant education program and employment and training program of a required one-stop partner. For instance, States receive a large block grant for delivering TANF services. The 1.5 percent cap on contributions applies to the employment and training activities under that grant, not the entire TANF grant. Proposed § 678.735(c)(3) states that the entities administering the Vocational Rehabilitation program must not be required to contribute more than a specific cap each year. In States where there are two Vocational Rehabilitation agencies (a general agency and a blind agency), the combined contribution from these programs cannot exceed the cap in the proposed rule, which is based on the total allotment to the State. Because there is a chance that the funding amount limitations would prevent the allocation from being fully funded, proposed § 678.735(d) allows the Governor to direct the local partners to reenter negotiations to resolve the shortage in a manner that is consistent with each partner's program's authorizing laws and

regulations and all other applicable legal requirements, including the Federal cost principles, or to identify alternate infrastructure funding. When local partners reenter negotiations in this situation, the new negotiations should be conducted according to the same procedure as negotiations are conducted under the local funding mechanism, as discussed in proposed § 678.715. The limitations for one-stop partners' contributions discussed in proposed § 678.735(c) do not apply to the local funding mechanism. If an agreement is still not reached, the Governor will reduce the allocation for total one-stop infrastructure funding for that local area to match the amount of available partner contributions under the cap. In implementing a one-stop infrastructure allocation by the Governor, although sec. 121(h)(3)(B) of WIOA refers to the Governor allocating out to local areas the funds provided under sec. 121(h)(1) of WIOA, which is the local funding allocation mechanism, that section as enacted would also require the Governor to allocate those funds to only the local areas that are not using the local funding mechanism. This incongruity seems a clear scrivener's error— sec. 121(h)(3)(B) was meant to instruct the Governor to apply the allocation formula developed by the State Boards only to the local areas that are not subject to an agreement under the local funding mechanism. Proposed §§ 678.730 through 678.745 reflect this interpretation.

**§ 678.740 What funds are used to pay for infrastructure costs in the State one-stop infrastructure funding mechanism?**

Proposed § 678.740 describes the funds that one-stop partners can use to pay for infrastructure costs. For some partner programs, some infrastructure costs are classified as program costs under the partners' authorizing statute or implementing regulations, while other infrastructure costs are classified as administrative costs. In other partner programs, all infrastructure costs are classified as administrative costs. One-stop partner programs must follow their own program's rules in classifying costs as program or administrative costs, and must adhere to their program's administrative cost limit. Like proposed § 678.720(a), proposed §§ 678.740(c) and (d) would give State eligible agencies responsible for title II of WIOA and the Perkins Act great flexibility in determining how to pay for infrastructure costs under the State one-stop funding mechanism. It would enable these State agencies to use Federal funds that were available for State administration of title II of WIOA or for the administration of post-secondary level programs and activities under the Perkins Act, as well as non-Federal funds that the partners contribute to meet these programs' matching or maintenance of effort requirements. Further, as with § 678.720(a), if a State eligible agency were to delegate to a local entity or a consortium of local entities authority to serve as the local one-stop partner pursuant to proposed §§ 678.415(b) and (e), the entity or consortium could contribute local administrative funds for title II of WIOA or the Perkins Act, respectively, to the infrastructure costs in lieu of a contribution from the State's administrative funds from its Federal grants to be contributed to the one-stop infrastructure costs. The goal of providing the State agencies with this flexibility is to enable them to meet their responsibilities for paying one-stop infrastructure costs in a manner that best allows them to meet their responsibilities as one-stop partners and grantees under title II of WIOA or the Perkins Act. The Departments seek public comment on whether the proposed regulation would achieve this goal.

**§ 678.745 How is the allocation formula used by the Governor determined in the State onestop funding mechanism?**

Proposed § 678.745 states that the State Board must establish an allocation formula, taking into account several requirements from WIOA 121(h)(3)(B), and the Governor will use the allocation formula to distribute funds to local areas that are opting to use the State infrastructure cost funding mechanism, so long as the distribution is consistent with the Federal cost principles for each affected partner program.



**§ 678.750 When and how can a one-stop partner appeal a one-stop infrastructure amount designated by the State under the State infrastructure funding mechanism?**

Proposed § 678.750 requires an appeals process, as outlined in WIOA sec. 121(h)(2)(E), to be established by the Governor and proposes similar principles regarding timely resolution as those seen under other appeals processes, such as the WIA regulations at 20 CFR 661.280. The Departments seek comments regarding the proposed State infrastructure funding mechanism, and in how local areas with existing successful infrastructure cost agreements have funded these costs and what factors contributed to local areas' success.

**§ 678.755 What are the required elements regarding infrastructure funding that must be included in the one-stop Memorandum of Understanding?**

Proposed § 678.755 explains what information the local areas must include about operating costs in the one-stop MOU, described in proposed § 678.500. Under the State one-stop infrastructure funding mechanism, the partner contributions will be required to be included in the MOU. Once the State infrastructure funding mechanism is triggered, and the Governor determines each partner's required funding contribution, the partners must include these in, and sign, the MOU.

**§ 678.760 How do one-stop partners jointly fund other shared costs under the Memorandum of Understanding?**

In addition to infrastructure, WIOA sec. 121(i)(1) requires that one-stop partners must contribute jointly to fund the cost of career services, and allows one-stop partners to jointly fund other shared services, such as intake, assessment, skill appraisals, identification of appropriate services, referrals, accommodations and other services, including business services. Shared operating costs may also include shared costs of the Local Board's functions. Under proposed § 678.760, these costs must be determined as part of the MOU described in proposed § 678.500 and be comprised of cash and noncash resources. Non-cash, or in-kind, contributions may be such resources as space, equipment, staff to deliver shared services, and other examples. The Departments expect one-stop partners to engage early with each other and the Local Board to identify services that benefit multiple populations and programs and could be jointly funded through the MOU. Such agreements improve the efficiency and effectiveness of the one-stop system, and benefit the system's customers. WIOA neither requires programs to examine if other funds are available before using program funds to pay for a service, nor does it establish requirements that any program can only be a "payer of last resort." One-stop partners may jointly fund services in a manner of their choosing that meets the requirements of this part, meets the Federal cost principles, and meets the requirements of the programs' authorizing statutes and regulations. The DOL published Financial Management Technical Assistance Guides for use under WIA that are still useful in determining reasonable cost allocation methodologies, and how to jointly fund shared activities and services.

See [http://www.doleta.gov/grants/pdf/TAG\\_PartI.pdf](http://www.doleta.gov/grants/pdf/TAG_PartI.pdf) and [http://www.doleta.gov/grants/pdf/TAG\\_PartII\\_July2011.pdf](http://www.doleta.gov/grants/pdf/TAG_PartII_July2011.pdf). The DOL will provide further technical assistance on this topic.

(f) The design of the local area's one-stop delivery system must be described in the Memorandum of Understanding (MOU) executed with the one-stop partners, described in § 678.500.

(c) Enter into an MOU with the Local Board relating to the operation of the onestop system that meets the requirements of § 678.500(d);

(d) Participate in the operation of the one-stop system consistent with the terms of the MOU, requirements of authorizing laws, the Federal cost principles, and all other applicable legal requirements; (WIOA sec. 121(b)(1)(A)(iv))

### **Subpart C—Memorandum of Understanding for the One-Stop Delivery System**

§ 678.500 What is the Memorandum of Understanding for the one-stop delivery system and what must be included in the Memorandum of Understanding?

(a) The MOU is the product of local discussion and negotiation, and is an agreement developed and executed between the Local Board, with the agreement of the chief elected official and the one-stop partners, relating to the operation of the one-stop delivery system in the local area. Two or more local areas in a region may develop a single joint MOU, if they are in a region that has submitted a regional plan under sec. 106 of WIOA.

(b) The MOU must include:

(1) A description of services to be provided through the one-stop delivery system, including the manner in which the services will be coordinated and delivered through the system;

(2) A final plan, or an interim plan if needed, on how the costs of the services and the operating costs of the system will be funded, including:

(i) Funding of infrastructure costs of one-stop centers in accordance with §§ 678.700 through 678.755; and

(ii) Funding of the shared services and operating costs of the one-stop delivery system described in § 678.760;

(3) Methods for referring individuals between the one-stop operators and partners for appropriate services and activities;

(4) Methods to ensure that the needs of workers, youth, and individuals with barriers to employment, including individuals with disabilities, are addressed in providing access to services, including access to technology and materials that are available through the one-stop delivery system;

(5) The duration of the MOU and procedures for amending it; and

(6) Assurances that each MOU will be reviewed, and if substantial changes have occurred, renewed, not less than once every 3-year period to ensure appropriate funding and delivery of services.

(c) The MOU may contain any other provisions agreed to by the parties that are consistent with WIOA title I, the authorizing statutes and regulations of one-stop partner programs, and the WIOA regulations. (WIOA sec. 121(c).)

(d) When fully executed, the MOU must contain the signatures of the Local Board, one-stop partners, the chief elected official(s), and the time period in which the agreement is effective. The MOU must be updated not less than every 3 years to reflect any changes in the signatory official of the Board, one-stop partners, and chief elected officials, or one-stop infrastructure funding.

(e) If a one-stop partner appeal to the State regarding infrastructure costs, using the process described in § 678.750, results in a change to the one-stop partner's infrastructure cost contributions, the MOU must be updated to reflect the final one-stop partner infrastructure cost contributions.

§ 678.505 Is there a single Memorandum of Understanding for the local area, or must there be separate Memoranda of Understanding between the Local Board and each partner?

(a) A single "umbrella" MOU may be developed that addresses the issues relating to the local one-stop delivery system for the Local Board, chief elected official and all partners.

Alternatively, the Local Board (with agreement of chief elected official) may enter into separate agreements between each partner or groups of partners.

(b) Under either approach, the requirements described in § 678.500 apply. Since funds are generally appropriated annually, the Local Board may negotiate financial agreements with each partner annually to update funding of services and operating costs of the system under the MOU.

§ 678.510 How should the Memorandum of Understanding be negotiated?

(a) WIOA emphasizes full and effective partnerships between Local Boards, chief elected officials, and one-stop partners. Local Boards and partners must enter into good-faith negotiations. Local Boards, chief elected officials, and one-stop partners may also request assistance from a State agency responsible for administering the partner program, the Governor, State Board, or other appropriate parties on other aspects of the MOU.

(b) Local Boards and one-stop partners must establish, in the MOU, a final plan for how the Local Board and programs will fund the infrastructure costs of the one-stop centers. If a final plan regarding infrastructure costs is not complete when other sections of the MOU are ready, an interim infrastructure cost plan may be included instead, as described in § 678.715(c). Once the final infrastructure cost plan is approved, the Local Board and one-stop partners must amend the MOU to include the final plan for funding infrastructure costs of the one-stop centers, including a description of the funding mechanism established by the Governor relevant to the local area.

Infrastructure cost funding is described in detail in subpart E of this part. (WIOA sec. 121(h)(2).)

(c) The Local Board must report to the State Board, Governor, and relevant State agency when MOU negotiations with one-stop partners have reached an impasse.

(1) The Local Board and partners must document the negotiations and efforts that have taken place in the MOU. The State Board, one-stop partner programs, and the Governor may consult with the appropriate Federal agencies to address impasse situations related to issues other than infrastructure funding after attempting to address the impasse. Impasses related to infrastructure cost funding must be resolved using the State infrastructure cost funding mechanism described in § 678.730.

(2) The Local Board must report failure to execute an MOU with a required partner to the Governor, State Board, and the State agency responsible for administering the partner's program. Additionally, if the State cannot assist the Local Board in resolving the impasse, the Governor or the State Board must report the failure to the Secretary of Labor and to the head of any other Federal agency with responsibility for oversight of a partner's program.

§ 463.700 What are one-stop infrastructure costs?

(a) Infrastructure costs of one-stop centers are nonpersonnel costs that are necessary for the general operation of the one-stop center, including:

(1) Rental of the facilities;

(2) Utilities and maintenance;

(3) Equipment (including assessment-related products and assistive technology for individuals with disabilities); and

(4) Technology to facilitate access to the one-stop center, including technology used for the center's planning and outreach activities.

(b) Local Boards may consider common identifier costs as costs of one-stop infrastructure.

(c) Each entity that carries out a program or activities in a local one-stop center, described in §§ 463.400 through 463.410, must use a portion of the funds available for the program and activities to maintain the one-stop delivery system, including payment of the infrastructure costs of one-stop centers. These payments must be in accordance with this subpart; Federal cost principles, which require that all costs must be allowable, reasonable, necessary, and allocable to the program; and all other applicable legal requirements.

§ 463.705 What guidance must the Governor issue regarding one-stop infrastructure funding?

(a) The Governor, after consultation with chief elected officials, the State Board, and Local Boards, and consistent with guidance and policies provided by the State Board, must develop and issue guidance for use by local areas, specifically:

(1) Guidelines for State-administered one-stop partner programs for determining

such programs' contributions to a one-stop delivery system, based on such programs' proportionate use of such system consistent with Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR part 200, including determining funding for the costs of infrastructure; and

(2) Guidance to assist Local Boards, chief elected officials, and one-stop partners in local areas in determining equitable and stable methods of funding the costs of infrastructure at one-stop centers based on proportionate benefits received, and consistent with Federal cost principles.

(b) The guidance must include:

(1) The appropriate roles of the one-stop partner programs in identifying one-stop infrastructure costs;

(2) Approaches to facilitate equitable and efficient cost allocation that results in a reasonable cost allocation methodology where infrastructure costs are charged to each partner in proportion to relative benefits received, consistent with Federal cost principles; and

(3) The timelines regarding notification to the Governor for not reaching local agreement and triggering the State-funded infrastructure mechanism described in § 463.730, and timelines for a one-stop partner to submit an appeal in the State-funded infrastructure mechanism.

§ 463.710 How are infrastructure costs funded?

Infrastructure costs are funded either through the local funding mechanism described in § 463.715 or through the State funding mechanism described in § 463.730.

§ 463.715 How are one-stop infrastructure costs funded in the local funding mechanism?

(a) In the local funding mechanism, the Local Board, chief elected officials, and one-stop partners agree to amounts and methods of calculating amounts each partner will contribute for one-stop infrastructure funding, include the infrastructure funding terms in the MOU, and sign the MOU. The local one-stop funding mechanism must meet all of the following requirements:

(1) The infrastructure costs are funded through cash and fairly evaluated 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;

(2) Contributions must be negotiated between one-stop partners, chief elected officials, and the Local Board and the amount to be contributed must be included in the MOU;

(3) 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 relative benefits received, and must be allowable, reasonable, necessary, and allocable;

(4) 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 and equitable to the benefit received by the one-stop partners and their respective programs or activities.

(b) In developing the section of the MOU on one-stop infrastructure funding fully described in § 463.755, the Local Board and chief elected officials will:

(1) Ensure that the one-stop partners adhere to the guidance identified in § 463.705 on one-stop delivery system infrastructure costs.

(2) Work with one-stop partners to achieve consensus and informally mediate any possible conflicts or disagreements among one-stop partners.

(3) Provide technical assistance to new one-stop partners and local grant recipients to ensure that those entities are informed and knowledgeable of the elements contained in the MOU and the one-stop infrastructure costs arrangement.

(c) The MOU may include an interim infrastructure funding agreement, including as much detail as the Local Board 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 agreement must be finalized within 6 months of when the MOU is signed. If the infrastructure interim infrastructure agreement is not finalized within that timeframe, the Local Board must notify the Governor, as described in § 463.725.

§ 463.720 What funds are used to pay for infrastructure costs in the local one-stop infrastructure funding mechanism?

(a) In the local one-stop infrastructure funding mechanism, one-stop partner programs can determine what funds they will use to fund infrastructure costs. The use of these funds must be in accordance with the requirements in this subpart, and with the relevant partner's authorizing statutes and regulations, including, for example, prohibitions against supplanting non-Federal resources, statutory limitations on administrative costs, and all other applicable legal requirements. In the case of partners administering adult education and literacy programs authorized by title II of WIOA or the Carl D. Perkins Career and Technical Education Act of 2006, these funds may include Federal funds that are available for State administration of adult education and literacy programs authorized by title II of WIOA or for State administration of post-secondary level programs and activities under the Perkins Act, and non-Federal funds that the partners contribute to meet these programs' matching or maintenance of effort requirements. These funds also may include local administrative funds available to local entities or consortia of local entities that have been delegated authority to serve as onestop local partners by a State eligible agency as permitted by §§ 463.415(b) and (e).

(b) There are no specific caps on the amount or percent of overall funding a onestop partner may contribute to fund infrastructure costs under the local one-stop funding mechanism, except that contributions for administrative costs may not exceed the amount available for administrative costs under the authorizing statute of the partner program. However, amounts contributed for infrastructure costs must be allowable and based on proportionate use by or benefit to the partner program, taking into account the total cost of the one-stop infrastructure as well as alternate financing options, and must be consistent with 2 CFR chapter II, including the Federal cost principles.

§ 463.725 What happens if consensus on infrastructure funding is not reached at the local level between the Local Board, chief elected officials, and one-stop partners?

If, after July 1, 2016, and each subsequent July 1, the Local Board, chief elected officials, and one-stop partners do not reach consensus on methods of sufficiently funding local infrastructure through the local infrastructure cost funding mechanism, and include that consensus agreement in the signed MOU, then the Local Board must notify the Governor and the Governor must administer funding through the State one-stop funding mechanism, as described in § 463.730. (WIOA sec. 121(h)(2))

§ 463.730 What is the State one-stop infrastructure funding mechanism?

(a) In the State one-stop infrastructure funding mechanism, the Governor, after consultation with the chief elected officials, Local Boards, and the State Board, determines one-stop partner contributions, based upon a methodology where infrastructure costs are charged to each partner in proportion to relative benefits received and consistent with the partner program's authorizing laws and regulations, 2 CFR chapter II, including the Federal cost principles, and other applicable legal requirements described in § 463.735(a).

(b) The State Board develops an allocation formula to allocate funds to local areas to support the infrastructure costs for local area one-stop centers for all local areas that did not use the local

funding mechanism, and the Governor uses that formula to allocate the funds. This is described in detail in § 463.745.

§ 463.735 How are partner contributions determined in the State one-stop funding mechanism?

(a) In the State one-stop funding mechanism, the Governor, after consultation with State and Local Boards and chief elected officials, will determine the amount each partner must contribute to assist in paying the infrastructure costs of one-stop centers. The Governor must calculate amounts based on the proportionate use of the one-stop centers by each partner, consistent with chapter II of title 2, Code of Federal Regulations (or any corresponding similar regulation or ruling), taking into account the costs of administration of the one-stop delivery system for purposes not related to one-stop centers for each partner such as costs associated with maintaining the Local Board, or information technology systems. The Governor will also take into account the statutory requirements for each partner program, all other applicable legal requirements, and the partner program's ability to fulfill such requirements.

(b) In certain situations, the Governor does not determine the infrastructure cost contributions for one-stop partner programs.

(1) The Governor will not determine the contribution amounts for infrastructure funds for Native American grantees described in 20 CFR part 684. (WIOA sec. 121(h)(2)(D)(iii).) The appropriate portion of funds to be provided by Native American grantees to pay for one-stop infrastructure must be determined as part of the development of the MOU described in § 463.500 and specified in that MOU.

(2) In a State in which the State constitution or a State statute places policymaking authority that is independent of the authority of the Governor in an entity or official with respect to the funds provided for adult education and literacy activities, postsecondary career and technical education activities, or vocational rehabilitation services, the chief officer of that entity or the official must determine the contribution amounts for infrastructure funds in consultation with the Governor. (WIOA sec. 121(h)(2)(C)(ii).)

(c) Limitations. Per WIOA sec. 122(h)(2)(D), the amount established by the Governor under paragraph (a) of this section may not exceed the following caps:

(1) WIOA Formula programs and employment service. The portion of funds required to be contributed under the WIOA youth, adult, or dislocated worker programs, or under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) must not exceed 3 percent of the amount of Federal funds provided to carry out that program in the State for a program year.

(2) Other one-stop partners. The portion of funds required to be contributed must not exceed 1.5 percent of the amount of Federal funds provided to carry out that education program or employment and training program in the State for a fiscal year. For purposes of Carl D. Perkins Career and Technical Education Act of 2006, the cap on contributions is determined based on the funds made available for State administration of post-secondary level programs and activities.

(3) Vocational rehabilitation. Within a State, the entity or entities administering the programs described in WIOA sec. 121(b)(1)(B)(iv) the allotment is based on the one State allotment, even in instances where that allotment is shared between two State agencies, and will not be required to provide from that program a cumulative portion that exceeds—

(i) 0.75 percent of the amount of Federal funds provided to carry out such program in the State for Fiscal Year 2016;

(ii) 1.0 percent of the amount provided to carry out such program in the State for Fiscal Year 2017;

(iii) 1.25 percent of the amount provided to carry out such program in the State for Fiscal Year 2018; and

(iv) 1.5 percent of the amount provided to carry out such program in the State for Fiscal Year 2019 and following years.

(4) Federal direct spending programs. For local areas that have not reached a onestop infrastructure funding agreement by consensus, an entity administering a program funded with direct spending as defined in sec. 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985, as in effect on February 15, 2014 (2 U.S.C.900(c)(8)), must not be required to provide more for infrastructure costs than the amount that the Governor determined (as described in § 463.735(a)).

(d) If the above limitations result in funding less than each partner's proportionate share and contribute to inadequate funding of the allocation amount determined under § 463.745(b), the Governor may direct the Local Board, chief elected officials, and one-stop partners to reenter negotiations to reduce the infrastructure costs to reflect the amount of funds that are available for such costs, discuss proportionate share of each one-stop partner, or to identify alternative sources of financing for one-stop infrastructure funding, but, in any event, a partner will only be required to pay an amount that is consistent with the proportionate benefit received by the partner, the program's authorizing laws and regulations, the Federal cost principles, and other applicable legal requirements.

(1) The Local Board, chief elected officials, and one-stop partners, after renegotiation, may come to agreement and sign an MOU and proceed under the local one-stop funding mechanism.

(2) If after renegotiation, agreement amongst partners still cannot be reached or alternate financing identified, the Governor may adjust the specified allocation, in accordance with the amounts available and the limitations described in § 463.735(c).

§ 463.740 What funds are used to pay for infrastructure costs in the State one-stop infrastructure funding mechanism?

(a) In the State one-stop infrastructure funding mechanism, infrastructure costs for WIOA title I programs, including Native American Programs described in 20 CFR part 684, can be paid using program funds, administrative funds, or both. Infrastructure costs for the Senior Community Service Employment Program under title V of the Older Americans Act (42 U.S.C. 3056 et seq.) can also be paid using program funds, administrative funds, or both. (WIOA sec. 121(h)(2)(D)(i)(II).)

(b) In the State one-stop infrastructure funding mechanism, infrastructure costs for other required one-stop partner programs (listed in §§ 463.400 through 463.410) are limited to the program's administrative funds, as appropriate. (WIOA sec. 121(h)(2)(D)(i)(I).)

(c) In the State one-stop infrastructure funding mechanism, infrastructure costs for the adult education program authorized by title II of WIOA must be paid from the funds that are available for State administration or from non-Federal funds that the partner contributes to meet the program's matching or maintenance of effort requirement. Infrastructure costs for title II of WIOA may also be paid from funds available for local administration of programs and activities to eligible providers or consortia of eligible providers delegated responsibilities to act as a local one-stop partner pursuant to § 463.415(b). (d) In the State one-stop infrastructure funding mechanism, infrastructure costs for the Carl D. Perkins Career and Technical Education Act of 2006 must be paid from the Federal funds that are available for State administration of post-secondary level programs and activities under the Perkins Act, or from non-Federal funds that the partner contributes to meet the program's matching or maintenance of effort requirement. Infrastructure costs for the Carl D. Perkins Career and Technical Education Act of 2006 may also be paid from funds available for local administration of post-secondary level programs and activities to eligible recipients or consortia of eligible recipients delegated responsibilities to act as a local one-stop partner pursuant to § 463.415(e).

§ 463.745 How is the allocation formula used by the Governor determined in the State one-stop funding mechanism?

(a) The State Board must develop an allocation formula to be used by the Governor to allocate funds to the local areas that did not successfully use the local funding mechanism. The allocation formula must take into account the number of onestop centers in a local area, the population served by such centers, the services provided by such centers, and other factors relating to the performance of such centers that the State Board determines are appropriate and that are consistent with Federal cost principles. (WIOA 121(h)(3)(B))

(b) Using the funds contributed by the one-stop partners described in § 463.735, the Governor will then use this formula to allocate funds to the local areas that did not use the local funding mechanism to fund one-stop center infrastructure costs, so long as that funding distribution is consistent with Federal cost principles for each of the affected one-stop partners.

§ 463.750 When and how can a one-stop partner appeal a one-stop infrastructure amount designated by the State under the State infrastructure funding mechanism?

(a) The Governor must establish a process, described under sec. 121(h)(2)(E) of WIOA, for a one-stop partner administering a program described in §§ 463.400 through 463.410 to appeal the Governor's determination regarding the one-stop partner's portion of funds to be provided for one-stop infrastructure costs. This appeal process must be described in the Unified State Plan. (WIOA secs. 121(h)(2)(E) and 102(b)(2)(D)(i)(IV).)

(b) The appeal may be made on the ground that the Governor's determination is inconsistent with proportionate share requirements in § 463.735(a), the cost contribution limitations in § 463.735(b), or the cost contribution caps in § 463.735(c).

(c) The process must ensure prompt resolution of the appeal in order to ensure the funds are distributed in a timely manner, consistent with the requirements of § 683.630 of this chapter.

(d) The one-stop partner must submit an appeal in accordance with State's deadlines for appeals specified in the guidance issued under § 463.705(b)(3), or if the State has not set a deadline, within 21 days from the Governor's determination.

§ 463.755 What are the required elements regarding infrastructure funding that must be included in the one-stop Memorandum of Understanding?

The MOU, fully described in § 463.500, must contain the following information whether the local areas use either the local one-stop or the State one-stop infrastructure funding method:

(a) The period of time in which this infrastructure funding agreement is effective. This may be a different time period than the duration of the MOU.

(b) Identification of an infrastructure and shared services budget that will be periodically reconciled against actual costs incurred and adjusted accordingly to ensure that it reflects a cost allocation methodology that demonstrates how infrastructure costs are charged to each partner in proportion to relative benefits received, and that complies with chapter II of title 2 of the Code of Federal Regulations (or any corresponding similar regulation or ruling).

(c) Identification of all one-stop partners, chief elected officials, and Local Board participating in the infrastructure funding arrangement.

(d) Steps the Local Board, chief elected officials, and one-stop partners used to reach consensus or an assurance that the local area followed the guidance for the State one-stop infrastructure funding process.

(e) Description of the process to be used between partners to resolve issues during the MOU duration period when consensus cannot be reached.

(f) Description of the periodic modification and review process to ensure equitable benefit among one-stop partners.

§ 463.760 How do one-stop partners jointly fund other shared costs under the Memorandum of Understanding?



- (a) In addition to jointly funding infrastructure costs, one-stop partners listed in §§ 463.400 through 463.410 must use a portion of funds made available under their programs' authorizing Federal law (or fairly evaluated in-kind contributions) to pay the additional costs relating to the operation of the one-stop delivery system, which must include applicable career services.
- (b) Additionally, one-stop partners may jointly fund shared services to the extent consistent with their programs' Federal authorizing statutes and other applicable legal requirements. Shared services' costs may include the costs of shared 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. Shared operating costs may also include shared costs of the Local Board's functions.
- (c) These shared costs must be allocated according to the proportion of benefit received by each of the partners, consistent with the Federal law authorizing the partner's program, and consistent with all other applicable legal requirements, including Federal cost principles in chapter II of title 2 of the Code of Federal Regulations (or any corresponding similar regulation or ruling) requiring that costs are reasonable, necessary, and allocable.
- (d) Any shared costs agreed upon by the one-stop partners must be included in the MOU.