



COMMONWEALTH OF VIRGINIA
VIRGINIA COMMUNITY COLLEGE SYSTEM

WORKFORCE INNOVATION AND OPPORTUNITY ACT

**The Virginia Community College System
VIRGINIA WORKFORCE LETTER (VWL) No. 17-04 Change 3**

TO: Local Workforce Development Boards

FROM: George Taratsas 
Director, WIOA Administration and Compliance

SUBJECT: Virginia Career Works One-Stop Memorandum of Understanding (MOU) and
Cost Allocation Development Guidance

EFFECTIVE DATE: July 1, 2021

PURPOSE:

The purpose of this issuance is to provide guidance for executing local Memorandum of Understanding (MOU), including cost allocation plans, for services provided through Virginia Career Works One-Stop Centers. It also clarifies the date as to when fully executed MOU/IFAs are to be submitted annually to the WIOA Title I Administrator.

REFERENCES:

- Virginia Board of Workforce Development Policy 300-02, *One-Stop Delivery: Comprehensive and Affiliate One-Stop Career Centers*
- Virginia Board of Workforce Development Policy 300-03, *Requirements for Local Memorandum of Understanding (MOU)*
- Virginia Board of Workforce Development Policy 300-05, *One Stop Cost Allocation Plan*
- Virginia Board of Workforce Development Policy 401-03, *Career Services*
- Virginia Board of Workforce Development Policy 401-05, *Provision of Supportive Services*
- Virginia Board of Workforce Development Policy 600-03, *Services to Individuals with Disabilities*
- Training and Employment Guidance Letter No. 17-16, *Infrastructure Funding of the One-Stop Delivery System*

DEFINITIONS:

One-Stop Delivery System: The one-stop delivery system (herein also referred to as the Virginia Career Works Service Delivery System) brings together workforce development, education, and other human resource services partners and their programs in a seamless, customer-focused service delivery network designed to enhance access to services and improve long-term employment outcomes for individuals receiving assistance. One-stop partners administer separately funded programs as a set of integrated streamlined services to customers.

[20 CFR 678.300(a); 34 CFR 361.300(a); and 34 CFR 463.300(a)]

BACKGROUND:

A local MOU is the recognized mechanism for a Local Workforce Development Board (LWDB) to implement an agreement among the one-stop partner programs for the one-stop delivery of services in the Local Workforce Development Area (LWDA). Under the Workforce Innovation and Opportunity Act (WIOA), two or more local boards may negotiate, develop, and implement a joint MOU as part of regional planning and operations. Within a LWDA, the LWDB may establish an "umbrella" agreement that creates a single MOU negotiated among all partners that are engaged in providing services through the Virginia Career Works Service Delivery System.

The Workforce Innovation and Opportunity Act (WIOA) creates a new process for funding the costs of one-stop operations. One-stop infrastructure is generally described as the costs of non-personnel resources such as building leases, equipment, supplies, and resource rooms. One-stop partners must also share additional costs, which must include applicable career services, and may include shared operating costs and shared services that are necessary for the general operation of the one-stop center.

The purpose of partner programs sharing the costs of one-stop operations is to: (1) maintain the one-stop delivery system to meet the needs of the local workforce development area; (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; (5) ensure that costs are appropriately shared by one-stop partners by basing contributions on proportionate share of use, and (6) ensure that services provided reduce duplication, increase financial efficiency, and are allowable under their respective program(s).

The Virginia Board of Workforce Development (VBWD) established policies, listed in the References section on page 1, specifying requirements for executing a MOU and a cost allocation plan to identify services and costs of the Virginia Career Works Service Delivery System.

GUIDANCE:

In order to assist the LWDBs with compliance related to the policies referenced above, this VWL provides guidance through several tools: (1) a Virginia Career Works One-Stop Center Memorandum of Understanding (MOU) Example Guide, a Virginia Career Works One-Stop Center MOU Official Template, and (3) an Excel workbook titled VA LWDA One-Stop Center Budget and Cost Allocation Template.

The LWDBs should use the Virginia Career Works One-Stop Center Memorandum of Understanding (MOU) Example Guide to assist in completing and executing MOUs for Program Year 2019 (the period beginning July 1, 2019). LWDBs must use the accompanying Virginia Career Works One-Stop Center MOU Official Template to generate their MOU.

Use of the Virginia Career Works One-Stop Center MOU Official Template will ensure each user reaches full compliance with state and federal regulations and policy guidance is achieved. Please note that a MOU is complete only when it's inclusive with the Infrastructure Funding Agreement (IFA). The MOU Example Guide contains specific instructions and helpful hints to properly address the required content, including completion and execution of Resource Sharing Agreements and Cost Allocation Plans.

The LWDBs **must** use the *VA LWDA One-Stop Center Budget and Cost Allocation Plan* for development and execution of one-stop cost allocation plans for Program Year 2019 and forward. The template is designed to address both infrastructure funding and additional costs associated with One-Stop Center operations. The Excel workbook contains the following sections with instructions:

- **Allocation Steps Flow Chart:** This spreadsheet provides the steps to follow in order to develop and implement a cost allocation plan.
- **One-Stop Center Budget:** This spreadsheet shall be used to document the full budget for the operations of the One-Stop Center. The amounts included in the template are presented only as a sample use of this template; the amounts reflected in the template should be revised to reflect the budget developed locally.
- **Partner Information:** This spreadsheet shall be used to record each Program's use of the One-Stop Center for delivery of services.
- **Shared Costs:** This spreadsheet allocates costs to each partner program based on the allocation basis selected and agreed upon locally. The spreadsheet applies a recommended allocation base for each budget line item.
- **Direct Costs:** This spreadsheet documents the direct costs associated specifically and directly with each partner program listed. This amount is deducted from the total budget in the One-Stop Center Budget spreadsheet to arrive at the amount of shared (or indirect) costs to be allocated using the Shared Costs spreadsheet.
- **Total Costs:** This spreadsheet totals the direct and shared costs for each partner program listed to reflect the total support by each partner program.

Steps to Reach Consensus

I. Notification of Partners

The LWDB Chair (or designee) must notify all parties in writing that it is necessary to renew and execute the MOU and provide all applicable policies and preceding MOU documents, as applicable.

2. *Kickoff Meeting*

The LWDB Chair (or designee) is responsible for convening all required and optional Virginia Career Works partners to formally initiate or kickoff negotiations, and ensure that at a minimum, all partners from all counties within the LWDA are appropriately represented. The kickoff meeting must be hosted in a timely manner to allow for all steps to be conducted in good faith and in an open and transparent environment.

At the kickoff meeting, the LWDB Chair (or designee) must provide a detailed review of all relevant documents, facts, and information and ensure that all parties have sufficient time to ask questions or voice concerns and are fully aware of expectations and the overall process.

- An action plan and timeline shall be established at this meeting.

3. *Negotiations*

Following the formal kickoff meeting, partners must submit all relevant documents to the LWDB Chair (or designee) to begin the drafting of the MOU. During this period, additional formal or informal meetings (informational and negotiation sessions) may take place, so long as they are conducted in an open and transparent manner with pertinent information provided to all parties.

4. *Draft MOU*

The LWDB Chair (or designee) must email a complete draft of the MOU to all parties, consistent with the action plan and timeline established at the kickoff meeting.

5. *Notification of Partners*

All parties must review and return feedback to the LWDB Chair (or designee). It is advised that each party also use this time to allow their respective legal departments to review the MOU for legal sufficiency. It is the responsibility of the LWDB Chair (or designee) to ensure all Virginia Career Works partners to the MOU are aware of the comments and revisions that are needed.

6. *Finalized MOU*

The LWDB Chair (or designee) must secure all partner signatures. The MOU, including the cost allocation plan, will be considered fully executed once all signatories have reviewed and signed, and a signed copy has been returned to all parties. A fully-executed MOU must be submitted annually to the WIOA Title I Administrator electronically at wioa@vccs.edu no later than May 31.

If a partner is unwilling to sign the MOU, then the LWDB Chair (or designee) must ensure that the dispute resolution process established by the LWDB is followed. If the local dispute resolution process is exhausted, the WIOA Title I Administrator must be notified in writing via email at wioa@vccs.edu. All actions taken to resolve the dispute must be documented in detail and included in the email. The WIOA Title I Administrator will address and respond in accordance with the applicable policies as referenced above.

INQUIRIES:

Please submit inquiries regarding this VWL to: wioa@vccs.edu.