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# OC Community Resources

January 27, 2021

**To:** WIOA Subrecipients of the Orange County  
Workforce Development Area

**From:** Carma Lacy  
Director of Workforce Development

**Subject:** Memorandum of Understanding (MOU) Policy  
Information Notice No. 21-OCWDB-01

## PURPOSE

The purpose of the Memorandum of Understanding (MOU) policy is to define the roles and responsibilities, including service delivery and financial responsibility, of each Partner for the operation of the Orange County One-Stop delivery system. The One-Stop delivery system must provide services as required by the Workforce Innovation and Opportunity Act (WIOA).

## REFERENCES

- WIOA, Public Law 113-128.
- 20 CFR. 678.300, 678.420, 678.500, 678.670, 678.700, 678.720
- 29 CFR. 38
- 34 CFR. 463 and 361
- 2 CFR 200, 2900, and 3474
- USDOL, Training and Employment Guidance Letter (TEGL) No. 17-16, *Infrastructure Funding of the One-Stop Delivery System*, (January 18, 2017).
- USDOL, TEGL No. 16-16, *One-Stop Operations Guidance for the American Job Center Network*, (January 18, 2017)
- EDD, WSD18-12 *WIOA Memorandums of Understanding* (April 30, 2019)

## EFFECTIVE DATE

This policy is effective immediately upon issuance.

## BACKGROUND

Under WIOA, an MOU serves as a critical mechanism to ensure that the roles and responsibilities of each entity involved with Orange County's workforce development system are well-defined and mutually agreed upon for the successful operation of the integrated service delivery system. WIOA requires that an MOU be executed between the Local Workforce Development Board (LWDB), the Chief Local Elected Official (CLEO), and the One-Stop System Partners (Partners). A One-Stop System includes



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required Partners and those additional identified Partners that carry out programs and services in accordance with WIOA.

The three major components of each MOU are as follows:

1. Shared Customers
2. Shared Services
3. Shared Costs

All Partners that participate in an area's workforce delivery system must be included in the MOU and must abide by the MOU terms and applicable federal, state, and local rules, plans, and policies as required under each Partner's program.

The operating budget of the One-Stop Centers is the financial plan to achieve the goals of delivering services in a local area, and the Infrastructure Funding Agreement/ cost allocation is a key component of the MOU because it establishes the terms and conditions of how the shared costs of operations and key services of the One-Stop system will be funded.

### **Definitions**

**Additional costs** - Non-infrastructure expenditures related to the operation of the One-Stop delivery system that must include the costs incurred by each required Partner to provide its career services and may include shared operating costs and shared service costs.

**Affiliate One-Stop Center** - A location where job seekers and employers can access the programs, services, and activities of one or more Partners. An Affiliate One-Stop Center is not required to provide access to all Partner programs.

**America's Job Center of California<sup>SM</sup> (AJCC)** – The common identifier used within California for One-Stop Centers, the One-Stop system, and access points to WIOA affiliated programs and services.

**Cash contributions** - Cash funds used to cover a Partner's proportionate share of the One-Stop Center.

**Chief Local Elected Official (CLEO)** – In Orange County, this refers to the Orange County Board of Supervisors.

**Comprehensive One-Stop Center** - A physical location where job seekers and employers can access the programs, services, and activities of all required One-Stop Center Partners.

**Cost allocation** - The share of each Partner program's infrastructure costs based on its proportionate use of the One-Stop Center, if benefit is received from that use.

**Direct linkage** - Providing customers in a One-Stop Center with direct connection by phone or through real-time Web-based communication to a program staff member who can provide meaningful program information or services to the customer.

**Disability** - With respect to an individual:

1. A physical or mental impairment that substantially limits one or more of the major life activities of such individual;

2. A record of such an impairment; or
3. Being regarded as having such an impairment.

Infrastructure costs - Non-personnel costs that are necessary for the general operation of a One-Stop Center, including rental costs of the facility, utilities, maintenance, supplies, equipment, technology to facilitate access, and outreach activities.

Infrastructure Funding Agreement (IFA) - A portion of the MOU that identifies local infrastructure costs and includes provisions for determination of partner shares and resolution of infrastructure funding-related issues that may arise.

Limited English Proficient (LEP) individual - An individual whose primary language for communication is not English and who has a limited ability to read, speak, write and/or understand English. LEP individuals may be competent in English for certain types of communication (e.g., speaking or understanding), but still be LEP for other purposes (e.g., reading or writing).

Local workforce development system - A system under which entities responsible for administering separate workforce development, education and human services programs collaborate to create a seamless system of service delivery that will enhance access to the program services and improve long term employment outcomes for individuals and businesses.

One-Stop Operator – Organization procured by the LWDB to coordinate the service delivery of participating One-Stop Partners and Service Providers.

One-Stop Center Partner (Partner) - An organization that participates in the operation of the local workforce development system.

Specialized centers - Centers that address specific needs, including those for dislocated workers, youth, or key industry sectors, or clusters.

Third-party in-kind contributions: Contributions by a non-Partner to support the One-Stop Center in general, not a specific Partner; or contributions by a non-One-Stop Center Partner to a One-Stop Center Partner to support its proportionate share of the infrastructure costs. Unrestricted contributions that support the One-Stop Center in general would lower the total amount of infrastructure costs prior to proportionate division whereas restricted contributions can be used by the intended partner(s) to lower their share of the infrastructure costs.

### **Policy and Procedures**

Each local area must have at least one Comprehensive One-Stop Center that provides universal access to the full range of employment services, training and education, and employer assistance. A Comprehensive One-Stop Center is a physical location where job seekers and employers have access to the programs, services, and activities of all the required Partners.

One-Stop Center services are provided through one of the following methods:

1. Co-location - Program staff from each Partner are physically present at the One-Stop Center.

2. Cross Information Sharing – Staff who are physically present at the One-Stop Center are properly trained to provide information about all programs, services, and activities, which are available to the customer through other Partners.
3. Direct access through real time technology – Access through two-way communication and interaction between customers and the Partners that result in services being provided.

As the LWDB, Orange County Workforce Development Board (OCWDB) is responsible for initiating the development and execution of the One-Stop Center MOU. This MOU acts as the functional tool as well as a visionary plan for how OCWDB, the One-Stop Operator, and the Partners will work together to create a unified service delivery system that best meets the needs of their shared customers. The One-Stop Operator is to ensure the implementation of Partner responsibilities and contributions agreed upon in the MOU and coordination of the service delivery of the required Partners and Service Providers.

### **System Overview**

The key purpose of the MOU is to define Partner roles and responsibilities and establish cohesiveness across the workforce development system to ensure efficiency within the One-Stop system.

Core program of the workforce development system include:

1. Youth, adult and dislocated worker employment and training activities
2. Adult education and literacy activities
3. Wagner-Peyser Act employment services
4. Vocational rehabilitation services

One-Stop Partners are the entities that carry out the core programs in a local area. The One-Stop delivery system must include comprehensive One-Stop Centers but may also include Affiliate or Specialized One-Stop Centers. Required Partner programs and additional partners that carry out their programs in the local area are required to share infrastructure costs and certain additional costs.

All One-Stop Partners, whether they are required or additional partners, must contribute to infrastructure costs of the One-Stop Centers based on proportionate use and relative benefits received. The required Partners must provide access to their programs in the comprehensive centers and contribute to infrastructure costs of those centers. These Partners also make applicable careers services available at the comprehensive One-Stop Center and may contribute to shared services and operating costs. Only those Partners that participate in the Affiliate One-Stop Centers would be required to contribute to the infrastructure costs. The financial contributions of One-Stop Partners through a direct linkage will be different than those One-Stop Partners with a physical presence, regardless of the type of center.

OCWDB, in collaboration with One-Stop Partners, must develop and continuously improve the One-Stop system in order to meet the needs of employers, workers, and job seekers, including those with significant barriers to employment and those participants with disabilities.

### **Required One-Stop Partner Programs**

1. WIOA Title I Adult, Dislocated Worker, and Youth
2. WIOA Title II Adult Education and Literacy
3. WIOA Title III Wagner-Peyser

4. WIOA Title IV Vocational Rehabilitation
5. Carl Perkins Career Technical Education
6. Title V Senior Community Service Employment Program (Older Americans Act)
7. Job Corps
8. Indian and Native American Programs
9. National Farmworker Jobs Programs (NFJP)/Migrant and Seasonal Farmworker Programs
10. Veterans
11. Youth Build
12. Trade Adjustment Assistance Act
13. Community Services Block Grant Employment and Training Activities
14. Housing & Urban Development Employment and Training Programs
15. Unemployment Compensation Programs
16. Reentry Employment Opportunities (REO) program/Second Chance
17. Temporary Assistance for Needy Families (CalWORKs)

### **Additional One-Stop Partners**

Additional One-Stop Partners may include Social Security Administration Employment and Training Programs; (i.e. Ticket to Work and Self Sufficiency Programs), Department of Agriculture Supplemental Nutrition and Assistance Program (CalFresh) employment and training programs; the Client Assistance Programs authorized under Section 112 of the Rehabilitation Act of 1973; National Community and Service Act Programs; employment and training programs carried out by the Small Business Administration; and other programs, including but not limited to, employment, education, or training programs such as those operated by libraries, foundations, community based programs, or in the private sector. Partnerships with local mental health, housing, and transportation agencies also provide opportunities to complement and streamline supportive services through the One-Stop network.

### **Overview of Partner Responsibilities**

The One-Stop Partners of the MOU must agree to participate in joint planning and development of the MOU and modification of activities to accomplish the following:

1. Accessibility of the Partners applicable service(s) to customers through the One-Stop service delivery system at all locations.
2. Use a portion of its funds to the extent consistent with the relevant authorizing statute to:
  - Provide applicable career services; and
  - Work collaboratively with OCWDB to establish and maintain the One-Stop Delivery system.
3. Participation in the operation of the One-Stop delivery system, consistent with the terms of the MOU and requirements of authorized laws.
4. All Partners and staff are adequately cross trained as a result of their participation in capacity building and staff development activities.
5. Continuous partnership building by requiring inclusion of all Partners involved in the One-Stop delivery system.
6. Continuous adaptation to federal, state, and local guidelines.
7. Meet common data collection and reporting needs via CalJOBS<sup>SM</sup>.
8. Involvement in Special Grant and/or pilot projects that impact a Partner's shared staffing resources.

## **Required Components of the MOU**

1. Convening of Parties to MOU
  - OCWDB is responsible for convening and working with One-Stop Partners to ensure all parties have an opportunity to fully participate in the development of the MOU, to achieve consensus, and informally mediate disagreements.
  - OCWDB is responsible for providing technical assistance to new One-Stop Partners to ensure they are aware of elements in the MOU and One-Stop service delivery infrastructure cost arrangement.
2. Purpose and Scope of MOU
3. Vision for the System
4. MOU development
  - The MOU must be developed and negotiated with all required Partners.
  - The One-Stop Operator can participate in the MOU development process, however, the responsibility of negotiating the MOU cannot be delegated to them as part of the competitive procurement process.
5. Name and location of the One-Stop Center(s)
  - Including comprehensive, affiliated, and specialized centers.
  - Define any other operating titles assigned to each center.
6. Description of the One-Stop Center Services
7. Procurement of the One-Stop-Operator
8. Referral Process
  - Methods of referral of individuals between the One-Stop Partners for appropriate services and activities.
  - Referral must strive towards including a coordinated and integrated approach to common intake procedures, career services, business services, and data sharing among Partners.
  - Referral methods can include, but are not limited to written, electronic, or phone referrals to Partner programs.
  - Partners will refer individuals to appropriate services and activities and receive feedback on the outcome of the referral.
9. Physical Accessibility
  - Facilities must be designed, constructed, or altered so that they are internally and externally accessible and usable by individuals with disabilities.
10. Programmatic Accessibility
  - Services must be available to all One-Stop Center customers regardless of disability or cultural background.
  - One-Stop Center must provide reasonable accommodations for individuals with disabilities, administer programs in the most integrated setting appropriate, communicate with persons with disabilities as effectively as with others, and provide appropriate auxiliary aids or services.
  - One-Stop Operators must provide a translator or translation service for Limited English Proficient (LEP) participants.
  - For those participants who are unable to access services at a comprehensive or affiliate office, the mobile American Job Center is available as a local access point.
11. Confidentiality
  - All parties to the MOU must expressly agree to abide by all applicable federal, state, or local laws and regulations regarding confidential information.

- Each party to the MOU must ensure the collection and use of any information, systems, or records that contain personally identifiable information (PII) will be limited to the purposes that support the programs and activities described in the MOU.
- Each party must ensure that access to software systems and files under its assigned control that contain PII will be limited to authorized staff members who are assigned responsibilities in support of the services and activities described in the MOU.

#### 12. Data sharing and Collection

- Partners must work cooperatively to share data to the extent necessary – as permitted or required by applicable statute or regulation - and enter into data sharing agreements as required.

#### 13. Collection of data includes tracking the number of participants using the One-Stop system with VOS Greeter and the addition of activities to the participant's files to ensure all services to participants are documented VOS Greeter to Cost Sharing of Services

- The MOU documents how the costs of operating the One-Stop Center are going to be shared.
- Includes operating and personnel costs for those who deliver services directly to business and job seeker customers.
- Costs may include service contracts with vendors or contractors, equipment, and supplies.
- Shared service costs may include funds authorized for, and may be commonly provided through, any of the One-Stop programs:
  - Initial intake
  - Assessment of needs
  - Evaluation of basic skills
  - Identification of appropriate services
  - Referrals to other One-Stop Partners, and
  - Business services

#### 14. Duration/Amendment/Appeal Procedures

- The MOU must include provisions specifying its duration and the procedures for amending it, including the notice a Partner must give all other Partners before amendments are made.
- The MOU will be amended should there be any significant changes to the shared customers, services, and/or costs (IFA).
- If the MOU is amended, OCWDB shall notify their EDD Regional Advisor.
- The MOU will include guidelines concerning the document's termination, dispute resolution between Partners, and the appeals process.

#### 15. Renewal Provisions

- The MOU must be renewed at least once every three (3) years and must provide an assurance that the parties agree to abide by the process of the modification.
- The Cost Allocation Plan must be reviewed annually.

#### 16. Additional Partners

#### 17. Other Contributions

- Contributions made to the One-Stop system by a non-Partner entity
- Third-party in-kind contributions made to supplement the operation of the One-Stop system must be documented

## 18. Non-Discriminatory and Equal Opportunity

- The parties must specifically agree that they will comply fully with the non-discrimination and equal opportunity provisions of:
  - Workforce Innovation and Opportunity Act Section 188
  - American with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.)
  - Nontraditional Employment for Women Act of 1991
  - Civil Rights Act of 1964 Title VI (as amended)
  - Rehabilitation Act of 1973 Section 504 (as amended)
  - Age Discrimination Act of 1967 (as amended)
  - Education Amendments of 1972 Title IX (as amended)

## 19. Priority of Service

The following demographics are specifically targeted for services:

- Individuals with significant barriers to employment
- Displaced homemakers
- Eligible migrant and seasonal farmworkers
- Re-entry services
- Homeless individuals
- Individuals facing substantial cultural barriers
- Individuals with disabilities, including youth with disabilities
- Individuals within two years of exhausting TANF lifetime eligibility
- Individuals who are English Language Learners
- Individuals who are unemployed, including long term unemployed individuals who have low levels of literacy
- Individuals without a high school diploma
- Low income individuals (including CalWORKs and CalFresh recipients), Native Americans, Alaskan Natives, and Native Hawaiians, Older individuals, Single parents, Pregnant women, and Veterans
- Youth who are in, or have aged out of, the foster care system

## 20. Additional Local Provisions (Optional)

## 21. Authority and Signatures

### **One-Stop Operating Budget and Costs**

The operating budget of the One-Stop Center(s) is the financial plan in which the Partners and OCWDB have agreed in order to achieve service delivery goals in the local area. The MOU must contain, among other things, provisions describing how the costs of services provided by the One-Stop delivery system and how the operating costs of such system will be funded, including the infrastructure costs for the system. All Partners must agree to the budget and cost allocation methodology. These must meet the standards of proportionate use and relative benefit and comply with federal cost principles. The requirements of each MOU Partner's authorizing legislation must be adhered to in the workforce system. Additionally, participation in the system is supplementary to other regulatory requirements applicable to each Partner's program(s).

The main cost categories include:

1. Infrastructure Funding Agreement (IFA)
2. Other/Career Services



## **Cost Allocation Methodology**

Any cost allocation methodology selected must adhere to the following:

1. Represents a measure of cost generation or cost benefit that results in an equitable distribution of costs of services rendered or goods provided.
2. Be based on the proportionate use of the benefit received by each Partner
3. Be consistent with the federal laws authorizing each Partner's program (including any local administrative cost requirements).
4. Comply with Uniform Guidance federal cost principles
5. Include only costs that are allowable, reasonable, and necessary, and allocable to each program Partner
6. Be consistent over time

Cost allocation methods that may be used include, but are not limited to, the following:

1. The proportion of a Partner's program's occupancy percentage of the One-Stop Center.
2. The proportion of a Partner's program's customers compared to customers in the One-Stop Center.
3. The proportion of a Partner's program's staff compared to all staff at the One-Stop Center.
4. The percentage of a Partner's program's use of the equipment in the One-Stop Center.

## **Infrastructure Funding Agreement (IFA)**

Infrastructure costs of the One-Stop service delivery are defined as non-personnel costs that are necessary for the general operation of the One-Stop Center, including: rental of facilities; utilities and maintenance; equipment (including assessment-related and assistive technology for individuals with disabilities); and technology to facilitate access to the One-Stop Center, including technology used for the center's planning and outreach activities system. The IFA must also have an "Access and Accommodation" line item for ensuring physical and programmatic access to the One-Stop Center by individuals with disabilities. Partners who are physically co-located in the One-Stop Center, whether full-time or part-time, are considered to receive a direct benefit that is allocable, therefore, they must contribute their proportionate share towards the infrastructure costs. Partners who are not co-located in the One-Stop Center may also be receiving benefit from the One-Stop system. However, that benefit must be clearly identified and allocable by way of reliable data and a cost methodology that demonstrates the Partner's usage of and benefit from the center and its services. Native American programs are not required to contribute to infrastructure funding but are encouraged to contribute.

In order to remain in compliance with Uniform Guidance cost allocability rules, the requirement to contribute to infrastructure costs at this time only applies to those Partners who are physically co-located in the One-Stop Centers. However, it is important to note that non-co-located Partners are still required to contribute to other system costs based on their proportionate share of the applicable career services as identified in the MOU.

The IFA will be reconciled regularly against actual costs incurred and adjusted accordingly. The reconciliation ensures that the budget reflects a cost allocation methodology that demonstrates how infrastructure costs are charged to each Partner in proportion to the Partner's use of the One-Stop Center and relative benefit received. The One-Stop Center operating budget may be further refined by the One-Stop Partners, as needed, to assist in tracking their contributions. The MOU must include a reconciliation schedule, identify who will

be responsible for the reconciliation, and include the names and/or titles of Partners who will be approving the reconciliation.

### **Determining the source of funds to pay Infrastructure Costs**

One-Stop Partners must remain in compliance with their authorizing federal statute as well as WIOA, which provides stipulations on the types of funds certain Partners are allowed to use toward their proportionate share under the IFA. These limitations include the following:

1. WIOA Title I – Infrastructure costs can be paid as program or administrative costs.
2. WIOA Title II – Infrastructure costs can only be from local administrative funds or from non-federal sources that are cash, in-kind, or third-party contributions.
3. WIOA Title III – Any available funds may be utilized for infrastructure costs.
4. WIOA Title IV – Infrastructure costs are paid from administrative costs.
5. Title V of the Older Americans Act – may use either administrative and/or program funds
6. Career and Technical Education – Infrastructure costs must be paid from funds available for local administration of postsecondary level programs and activities to eligible participants, or a consortium of eligible participants, and may be paid from funds made available by the state or non-federal sources that are cash, in-kind, or third-party contributions.
7. TANF/CalWORKs – Infrastructure costs can be paid only from employment and training administration funds.

There are no set caps on the amount or percent of overall funding a One-Stop Partner is responsible for contributing to fund infrastructure costs, except that administrative costs may not exceed the amount available for administrative costs under the authorizing statute of the authorizing program.

### **Other/Career Service Costs**

One-Stop Partners must share additional costs, which may include applicable career services, or shared operating and services costs that are necessary for the general operation of the One-Stop delivery system. These additional common costs may include initial intake assessment of needs appraisal of basic skills identification of appropriate services to meet such needs referrals to other Partners and business services.

Shared operating costs may also include shared costs related to OCWDB functions (Operator, policy, oversight of partnerships and effectiveness, etc).

### **Cash, In-Kind, or Third-Party In-Kind Contributions**

One-Stop Partners may provide cash, in-kind, or third-party in-kind contributions for their proportionate share of infrastructure costs. If non-cash or in-kind contributions are used, they cannot include non-infrastructure costs and they must be valued consistent with the Uniform Guidance to ensure they are fairly evaluated and meet the Partner's proportionate share.

If third-party in-kind contributions are made to support the One-Stop Center as a whole (such as space), those contributions will not count toward a specific Partner's proportionate share of infrastructure. Rather, the value of the contribution will be applied to the overall infrastructure costs and thereby reduce the contribution required for all Partners. When determining the use of non-cash and in-kind contributions, overall costs must be kept in mind as there must be enough cash contributions to cover those.

**MOU Submission**

Upon completion, the MOU must be signed by an authorized representative of OCWDB, Chief Local Elected Official(s), and all One-Stop Partners and submitted to the OCWDB's Employment Development Department Regional Advisor.

**ACTION**

Bring this policy to the attention of all staff and all relevant parties.

**INQUIRIES**

If you have any questions regarding this policy, please contact your Contract Administrator at 714-480-6500.