

<b>West Virginia Workforce Development Board</b>	
<b>Policy Area:</b> One-Stop Service Delivery	
<b>Title of Policy:</b> Requirements for Local Memorandum of Understanding (MOU)	<b>Number:</b> 300-03 (2023)
<b>Effective Date:</b> July 1, 2023	<b>Review by Date:</b> July 1, 2028
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**I. Purpose**

The purpose of this issuance is to detail the requirements for a local Memorandum of Understanding (MOU) under the Workforce Innovation and Opportunity Act (WIOA) and apply a consistent set of standards for MOU development.

**II. Summary**

The local Memorandum of Understanding (MOU) is the recognized vehicle for Local Workforce Development Boards (LWDBs) to implement an agreement among the one-stop partner programs regarding one-stop delivery of services in the local workforce development area. Under the WIOA, two or more Local Boards may negotiate, develop, and implement a joint MOU as part of regional planning and operations. Within a local area, the LWDB may establish an “umbrella” agreement that creates a single MOU negotiated among all partners, or single MOUs with each partner.

**III. References**

- Workforce Innovation and Opportunity Act (Pub. L. 113-128)
- Training and Employment Notice No. 05-14, *Workforce Innovation and Opportunity Act Announcement and Initial Informational Resources*
- Training and Guidance Letter No. 19-14, *Vision for the Workforce System and Initial Implementation of the Workforce Innovation and Opportunity Act of 2014*
- Workforce Innovation and Opportunity Act; Joint Rule for Unified and Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions; Final Rule: 20 CFR, Subpart C, § 678.500, § 678.505, and § 678.510
- Code of West Virginia, §5B-2B-4(b)(6)(C) and §5B-2B-4(b)(3)(F)

**IV. Policy**

A critical component of the successful implementation of West Virginia’s Strategic State Plan vision is a well-articulated Memorandum of Understanding (MOU) governing the one-stop system in each Local Workforce Development Area (LWDA). WIOA envisions that LWDBs act as both the convener of MOU negotiations as well as the shaper of how one-stop services are delivered within their LWDA.

Required one-stop partners must enter into an MOU with the LWDB consistent with the requirements of 20 CFR 678.500(b), 34 CFR 361.500(b), and 34 CFR 463.500(b). The MOU is an agreement developed and executed by the LWDB and the one-stop partners concerning one-stop service delivery. Partners shall use a collaborative and good-faith approach to negotiations and work in developing an MOU that demonstrates the spirit and intent of WIOA. The key elements and good faith negotiations process shall incorporate the following elements:

1. Alignment with State and Local Plans
2. Development of an operational plan, including center management and services
3. Determination of operating costs
4. Inclusive negotiation of shared costs
5. Signatures of all partners of the MOU and Operating Cost Agreements
6. Ongoing, routine review and modification of MOU and Operating Cost Agreements, including reconciliation of budget to actual costs, as appropriate
7. Consistent billing and payment terms
8. Shared oversight and commitment to continuous improvement

## **V. Procedures**

To facilitate transparent and flexible agreements, LWDBs should develop a single "umbrella" MOU that addresses issues related to local one-stop service delivery and the roles of all partners. LWDBs, with the agreement of the Chief Local Elected Official (CLEO), may still enter into separate agreements between each partner or groups of partners. However, the aim of the "umbrella" MOU is to allow partner programs to focus on service delivery and not the process of negotiating several MOUs<sup>1</sup> A sample umbrella MOU is attached to this policy.

MOUs must include the following:

- Services—The MOU must include a description of the services provided through the one-stop service delivery system. This may include:
  - The method or means of providing partner access to services;
  - The frequency of program staff's physical presence in an affiliated site;
  - How specialized American Job Centers may be implemented, if needed; and
  - A description of the coordinated delivery of services in the system and methods for referring individuals between the one-stop operators and partners for appropriate services and activities.
- One-Stop Operating Budget—The one-stop operating budget is the financial plan that the one-stop partners and LWDB agree will be used to achieve the MOU's goals of delivering services in a local area. The MOU must contain provisions describing how the

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<sup>1</sup> 20 CFR 678.505(a), 34 CFR 361.505(a), and 34 CFR 463.505(a)

costs of services and the operating costs will be funded, including the infrastructure costs consistent with Policy 300-04. The one-stop operating budget may be considered the master budget that contains a set of individual budgets or components that consist of two types of costs that are specifically outlined in the statute: (1) infrastructure costs; and (2) additional costs, which consist of shared operating costs and shared services that are related to the operation of the one-stop delivery system (but do not constitute infrastructure costs).

- The one-stop operating budget must be reconciled quarterly against actual costs incurred and adjusted accordingly. This 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 service delivery system and relative benefit received. Even for in-kind contributions, quarterly reconciliation must be conducted to ensure that the cost allocation methodology reflects each partner's relative benefit.
- Access—The MOU must include methods to ensure 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 available through the one-stop system.
- Referrals—The MOU must include methods for referrals to appropriate services and activities between one-stop operators and partner programs.
- Duration—The MOU must include provisions specifying its duration and the procedures for amending it. The MOU must contain assurances that it will be reviewed and, if substantial changes have occurred, be renewed at the time of the changes. The MOU must be reaffirmed annually.
- Other Contributors—The MOU must also include contributions made to the one-stop system through other avenues, such as donations made by a non-partner entity (e.g., a local business donating computers for a learning lab). Third-party in-kind contributions must be documented.
- Modification process—The MOU must include a description of the process for amending it.
- Signatories—The MOU must contain signatures of the CLEO, LWDB Director, and authorized representatives of each partner program.
- Appeals—If a one-stop partner's appeal to the state of West Virginia regarding infrastructure costs 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.

### ***Modification of an MOU***

Regulations require the MOU to contain a description of the procedures for amending it.<sup>2</sup> Further, they require renewal of the MOU in certain circumstances. Renewal of an MOU requires all parties to review and agree to all elements of the MOU and re-sign the MOU. Amendment or modification of the MOU only requires the parties to review and agree to the elements of the MOU that changed.

Non-substantive changes to the MOU, such as minor revisions to the budget or adjustments made due to the quarterly reconciliation of the budget, do not require renewal of the MOU. These changes may occur through the local MOU amendment procedures established at the local level. Substantial changes, such as changes in one-stop partners, or a change due to the election of a new CLEO, will require renewal of the MOU<sup>3</sup> A change to the MOU due to the election of a new CLEO ensures that the newly elected official is aware of the local one-stop partners, as well as the terms and conditions of the MOU.

### ***MOU Transparency***

While MOUs may vary between partners, LWDBs should use consistent MOUs with the same terms for each partner. To allow for full transparency, LWDBs must share each MOU agreement that it enters into with each of the other partners. Any modification of an MOU must also be shared with the other partners.

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<sup>2</sup> 20 CFR 678.500(b)(5), 34 CFR 361.500(b)(5), and 34 CFR 463.500(b)(5)

<sup>3</sup> 20 CFR 678.500(b)(6), (d), and (e); 34 CFR 361.500(b)(6), (d), and (e); and 34 CFR 463.500(b)(6), (d), and (e)