# Table of Contents

Introduction .................................................................................................................................................. 4
Purpose ..................................................................................................................................................... 4
Workforce Investment Area Configuration .................................................................................................. 5
Required Partners of One-Stop System ......................................................................................................... 6
One-Stop MOU Development Process ....................................................................................................... 7
One-Stop Core/Intensive/Training Services ................................................................................................. 8
  Core Services .......................................................................................................................................... 8
  Intensive Services .................................................................................................................................... 9
  Training Services ..................................................................................................................................... 9
Resource Sharing and Cost Sharing ............................................................................................................ 10
  Resource Sharing ................................................................................................................................... 11
  Cost Sharing .......................................................................................................................................... 12
Proportionality ........................................................................................................................................... 12
Limitations on Local Administrative Costs under WIA Title II ................................................................. 15
Costs of other Administrative Responsibilities under WIA Title II ......................................................... 15
Allowable Costs under WIA Title II .......................................................................................................... 16
Inability to Execute a Local One-Stop MOU ............................................................................................. 16
Other Considerations ................................................................................................................................ 17
Appendices .................................................................................................................................................. 18
  Ohio’s Workforce Development System Map .......................................................................................... 19
  WIA Memorandum of Understanding Guidance and Template .............................................................. 20
Ohio ABLE One-Stop System Memorandum of Understanding (MOU) Implementation Guide – (Revised August 2010)

Introduction

The foundation of the comprehensive reforms made possible by Title I of the Workforce Investment Act (WIA) of 1998, Public Law 105-220, is the creation of a One-Stop delivery system. The purpose of the system is to make it easier for individuals and employers to access education and training services, as well as a diversity of other resources that help to build the capacities of communities to sustain economic and workforce development.

Ohio Adult Basic and Literacy Education (ABLE) programs, supported by WIA Title II, the Adult Education and Family Literacy Act (AEFLA), are required partners of Ohio’s One-Stop delivery system.

The One-Stop provisions of WIA Title I offer ABLE programs and other partners exciting opportunities to expand customer access to programs and services and to help them to operate more efficiently. By working collaboratively, One-Stop partners will collectively achieve goals that they may not be able to accomplish by working independently.

With funding and other resources being increasingly difficult to secure and maintain by Ohio’s respective workforce development delivery systems, it makes good economic and social sense to integrate a portion of these limited funds and other resources to maximize our return on our investments through the creation and implementation of One-Stop Systems.

Purpose

This guide is meant to assist local ABLE programs in the local One-Stop Memorandum of Understanding (MOU) negotiations. This information is meant to be complimentary to the information provided by the Ohio Department of Job and Family Services (ODJFS) that formally supports the development of a local One-Stop MOU. The ODJFS information is available through

http://jfs.ohio.gov/owd/onestops/one-stop-system-home.stm
For specific guidance to One-Stop questions/issues that may not be addressed in this guide, please feel free to contact Jeff Gove, State ABLE Director, Ohio Board of Regents, at (614) 752-1642 or jgove@regents.state.oh.us or your regional State ABLE Consultant.

Workforce Investment Area Configuration

The Ohio Department of Job and Family Services (ODJFS) administers WIA Title I, and as such, Ohio’s One-Stop System is established in the following way, effective July 1, 2007. Ohio has established 30 workforce investment area One-Stop Systems. This 30 system configuration is made up of 20 conventional workforce investment areas which includes one large workforce investment area known as Area 7.

Area 7 is comprised of 11 regional One-Stop Systems (see Appendix A). Each of the 30 One-Stop Systems will be expected to have a signed Memorandum of Understanding (MOU) that will be submitted to the ODJFS for review and approval. Specifics of this system include:

• 31 Level 2 One-Stops

A Level 2 One-Stop satisfies the requirements of WIA for a One-Stop System in a single physical location. This facility has a fully-functioning Resource Room as well as all the required partners and services available on-site. It has a signed MOU that also articulates costs and resource sharing. A Level 2 One-Stop is also known as a “full service, comprehensive One-Stop center.”

ABLE must be represented in a Level 2 One-Stop. This can be a minimum of one ABLE program or a consortium of ABLE programs. This is a local decision or can be negotiated by the State ABLE Office if a local decision cannot be made.

• 59 Level 1 One-Stops

A Level 1 One-Stop possesses a minimum of three required cost sharing partners, which allows for regular customer access to on-site services and a fully-functioning Resource Room. The remaining required partners’ services are available either electronically or via some type of agreement with that system’s Level 2 One-Stop. Level
1 One-Stops are also represented as part of a One-Stop System MOU that articulates costs and resource sharing as part of its approved content.

ABLE may or may not be represented in a Level 1 One-Stop site. This should be defined in the overall One-Stop System’s MOU and is a local decision.

• **90 total Levels 1 and 2 One-Stop System Sites Statewide – as of July 1, 2007**

Required Partners of One-Stop System

ABLE is a required partner in all One-Stop Systems, which consist of at least one Level 2 site and may include additional Level 1 sites. The requirement is for at least one ABLE program to be represented in the MOU. Where there is more than one ABLE provider serving a One-Stop site system, all ABLE programs may participate in the MOU process and/or one ABLE program be designated as the required partner, representing the interests of all ABLE programs serving that site or system. This is a local decision or can be negotiated by the State ABLE Office if a decision cannot be made. **The State ABLE Office recommends that all ABLE programs and their partners be knowledgeable about Ohio’s One-Stop requirements and system.**

Other required One-Stop Level 2 partners include:

- WIA Programs
- Ohio Works First/Temporary Assistance to Needy Families Program
- Postsecondary Vocational Education (Perkins Act)
- Ohio Rehabilitation Services Commission
- Wagner-Peyser Act
- Unemployment Insurance Program
- Trade Adjustment Assistance
- Veterans Programs
- Community Service Block Grant Employment and Training Programs
- Older Americans Act - Title V Program
- Housing and Urban Development Employment and Training Programs
- Jobs Corps and/or Civilian Conservation Corps
- Native American Grant Program
- Migrant and Seasonal Farm Workers Program
- Veteran Employment & Training Programs under WIA Title I
- Youth Opportunity Grant
- Demonstration/Pilot Programs
- National Emergency Grants (Department of Labor)
One-Stop MOU Development Process

The Ohio One-Stop MOU process takes place annually around the state with negotiations among partners generally occurring December-March. The anticipated completion date for all statewide One-Stop MOUs is generally mid-March with a date identified by ODJFS each year. The effective date of these MOUs to be implemented is July 1. These negotiations are being driven locally, with guidance and facilitation conducted by ODJFS State One-Stop staff most notably, Tom Hutter. An option that was introduced with the SFY 2008 MOUs is the ability for One-Stop Systems to enter into a two-year agreement versus an annual agreement.

It is the shared responsibility of the local administrators of workforce development agencies, ABLE programs and other required partners to determine when and where these planning meetings will take place. **ABLE programs should attend these meetings.**

When ODJFS is used for facilitation, the One-Stop MOU process is usually broken into **three phases.**

- The **first phase** is completion of a matrix, Worksheet A – Partner Services Responsibilities. This phase asks the partners to identify their combined capacity to deliver Core, Intensive and Training Services within their One-Stop System. This phase also includes a submatrix called the “Shared Services Matrix” which identifies opportunities for integration and non-duplication of services for the One-Stop partners.

- The **second phase** includes convening local business leaders to discuss what their needs are from the overall One-Stop System.

- The **third phase** asks the partners to determine their cost and resource sharing to support the implementation of their One-Stop System. This is facilitated by the completion of another matrix, Worksheet B – Resource/Cost Sharing Agreement.

These matrices and other One-Stop MOU guidance are available at:  
[http://jfs.ohio.gov/owd/onestops/one-stop-system-home.stm](http://jfs.ohio.gov/owd/onestops/one-stop-system-home.stm)

(Also see Appendix B).
The completion of these three important phases of One-Stop MOU negotiations may take many meetings over an extended period of time. *It is best for all partners, including but not limited to ABLE, to be involved in this entire process, if at all possible.*

As the MOU process has been in place and established over the last few years, most MOU negotiations can be accomplished through an annual review with the partners with a minimum meeting commitment.

Note: No ABLE program is required to sign any One-Stop MOU until the director is satisfied with the contents of such an agreement as it relates to its articulated partner responsibilities. If in doubt, please contact Jeff Gove, State ABLE Director at (614) 752-1642 for guidance or your regional State ABLE Consultant.

One-Stop Core/Intensive/Training Services

Level 2 One-Stop Systems must provide Core, Intensive and Training services to customers. These are:

(Note: In the list below the three *bolded and italicized core services* are those that are most applicable to local ABLE programs, and WIA Title II requires ABLE programs to make available as part of the One-Stop System. ABLE programs can provide more than these three core services, and many do, but this is to be decided as part of the MOU negotiation process. Remember, too, there may be other required One-Stop partners that also provide skill assessments as part of their services, as well as other similar services to those of other partners. If so, it should be decided who offers what services to whom, when, how, etc. to reduce duplication and maximize available resources from all partners.)

Core Services

Core services are available to everyone and include:

- Eligibility for WIA funding sources
- Outreach, intake and orientation
- *Initial assessment of skill levels*
- Job search/placement assistance
- Labor Market Info (LMI) and job vacancies
• Performance and cost information on eligible training providers (may include ABLE)
• Local Performance measures info
• Availability of support services
• Information regarding filing Unemployment Compensation claims
• Information on One-Stop partner services
• Follow-up services
• Others defined by local area

Note: WIA Title II-ABLE federal legislation requires 95% of its federal funds to be used by local ABLE programs to support direct student instruction. Therefore, 5% of the remaining federal funds may be used for administrative costs, including those to support One-Stop administrative costs. This percentage is negotiable, within reason, between the local ABLE administrator and his/her State ABLE Consultant (see Limitations on Local Administrative Costs under WIA Title II, page 10).

Intensive Services

These services are targeted to unemployed and other at-risk people who are unable to obtain employment through core services. These include:

• Comprehensive and specialized assessment
• Development of Individual Employment Plan (IEP)
• Group counseling
• Individual counseling and career planning
• Short-term prevocational services - life skills
• Others as defined by local area

Note: ABLE programs may have some capacity to provide some of these Intensive Services, but they are not required to be provided by WIA Title II. This would be a local decision as part of the One-Stop MOU negotiation process.

Training Services

These services are targeted to adults who have met eligibility requirements for intensive services defined by the local One-Stop System. These services provide more in-depth and comprehensive training and support to eligible adults and may be subcontracted to One-Stop System partners and/or other local providers. They include:
In addition to the bolded ABLE services above, some ABLE programs may be collaborating within their host organizations (JVS, CTC, Career Center, college, LEA, CBO) to provide some of these other Training Services. If so, these could be identified in the ODJFS’ Worksheet A - Partner Services Responsibilities, in phase one of the One-Stop MOU process.

See Note related to Core Services about WIA Title II-ABLE legislated fiscal requirements on page five of this guide.

Resource Sharing and Cost Sharing

As with any business venture, it is essential that financial plans are developed for One-Stop Systems. A sound financial plan not only identifies how current operating costs will be covered, but how future growth of the system will be funded. These MOU agreements, specifically Worksheet B, Resource/Cost-Sharing Agreement, are blueprints for the financial success of the One-Stop. On the most basic level, these MOU agreements keep all One-Stop partners in compliance with WIA federal legislation. Every One-Stop MOU must include a description of how the cost of services and operating costs will be paid.

One-Stop MOUs are more than compliance documents. They serve as true business and financial plans, leading to successful integration of partners’ services to customers, ultimately benefiting the local workforce investment area. The most successful One-Stop partnerships are those built upon trust. Partners need to know what is expected of them and what other partners will provide.
Prior to beginning the partner discussion on resource/cost sharing, it is important to define two key concepts so all partners understand their responsibility in sharing the operational costs of the One-Stop System. Resource Sharing and Cost Sharing should be viewed as two distinctly different concepts when determining partner commitments.

**Resource Sharing**

Resource Sharing is a fully integrated approach in which all partners share in the responsibility of providing services to prevent duplication and create a seamless delivery system. This is defined as “shared services” where each partner contributes, through programmatic services (like ABLE), to some aspect of the overall One-Stop System for the good of all customers and partners.

Through this participation, each partner may benefit from the services that another partner provides. This participation is captured in the “Shared Services” matrix in Worksheet A with a value of “time,” generally reflected in hours or as Full-Time Equivalent (FTE), allocated to each benefiting partner.

Additionally, in Worksheet A – Partner Service Responsibilities, the partners identify all of the programmatic services to be delivered and how and when they would be delivered. Worksheet A captures the time commitment of each partner toward these services. For purposes of the MOU, there is not a “dollar” value associated with the provision of program services (like ABLE) through direct delivery staff, only the “time” value. **It is an individual partner’s decision as to how its specific program costs are determined. A partner should follow the requirements set forth in its respective federal/state and/or local legislation and guidelines, e.g., for ABLE, WIA Title II and the local program’s approved grant.**
Cost Sharing

The second concept, Cost Sharing, focuses on the shared operational expenses of the One-Stop System and is identified in “dollar” amounts. This includes both system-wide costs such as outreach, and individual physical site costs such as rent or lease.

These costs are reflected in the specified cost pools, identified in Worksheet B, e.g., Facilities, Management, Resource Room, Equipment and Supplies, Outreach and Marketing, and Misc. The partners decide on those expenses that benefit and are relevant to each of the partner programs. Each partner will be initially assessed a “dollar” value responsibility. This “dollar” value responsibility becomes a funding commitment for the partner and may be in the form of cash or in the provision of goods or services consistent with the agreed upon budget, in Step 1 of Worksheet B.

Ideally, the One-Stop MOU Worksheet B is the last part of the development process. In many ways, it is the most important one. A vision for the site(s) and system, including the full array of partner services to be provided (One-Stop MOU Worksheet A) should be in place prior to a discussion of financing the system (One-Stop MOU Worksheet B.)

As a required One-Stop partner, an ABLE program must ensure that a portion of the ABLE funding is made available by providing services, or through other means, to “create and maintain the One-Stop delivery system” (20 CFR S662.230(b)(1)). These funds or services contribute to the One-Stop delivery system and are negotiated locally with the Local WIA Board as part of the MOU.

Decision making and negotiation with regards to cost sharing must take into account the following factors:

Proportionality

WIA regulations require that each One-Stop partner contribute a fair share of the operating costs proportionate to the use of the system by customers who are attributable to the partner’s program (20 CFR 662.270). The determination of a methodology to allocate “fair shares” among partners is a critical step in the MOU negotiation process.
Federal regulations do not prescribe exactly how this is to be done in an MOU negotiation. In fact, the regulations make it clear that partner agencies may choose any number of methods, provided they are consistent with the Office of Management and Budget (OMB) circulars. Any method(s) used must be based on consistent data over time.

Agreeing on a budget is the first step. Determining the proportionate share attributable to the partner programs is the second step in this process. Here, the partners review the shared costs budgets, determine which methodologies are acceptable by the partners and then which method(s) should be applied to determine these shared costs.

The most common methodologies currently being applied in Ohio One-Stop System MOU negotiations are the occupancy and position usage applications, which are based on square footage and FTE respectively.

An ABLE example of an allocation methodology using FTE may be:

Position Usage – Based on partners’ FTE staff stationed at the One-Stop site. Partners with part-time staff stationed at the One-Stop are calculated based on FTE.

<table>
<thead>
<tr>
<th>ODJFS</th>
<th>WIA Title I</th>
<th>CDJFS</th>
<th>ABLE</th>
<th>ORSC</th>
<th>AWE</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td># of FTE</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>.5</td>
<td>1.5</td>
<td>2</td>
</tr>
<tr>
<td>% of overall FTE</td>
<td>23</td>
<td>23</td>
<td>23</td>
<td>3.9</td>
<td>11.6</td>
<td>15.5</td>
</tr>
</tbody>
</table>

Using position usage (FTE) methodology, a percentage is derived, in this example a .5 FTE for ABLE, to apply toward operating costs of the One-Stop System. This relates to the Cost Sharing information on the previous page. This is different from actual staff time devoted to “Shared Services” that would be reflected in Worksheet A. Staff used for “Shared Services” is considered Resource Sharing, e.g. an ABLE class operating in a One-Stop facility, not Cost Sharing. The ABLE class costs located at a One-Stop facility would be attributable to the ABLE program budget. These costs would be considered like any other ABLE class site costs.

If an ABLE program chooses to use its own budget to support One-Stop System staff in a support and/or greeter capacity, these ABLE funds would be charged to ABLE administrative costs, not direct instructional costs. This is acceptable but impacts the administrative cap of 5% applied to all ABLE budgets, and has to be negotiated with the appropriate regional State ABLE Consultant. A benefit of this ABLE budget support is that the cost to support these staff functions would be considered in lieu of cash payments to the One-Stop System.
Some common One-Stop System Cost Sharing examples paid out of ABLE budget administrative funds include:

- Facilities Cost Pool (e.g. rent, utilities, maintenance)
- One-Stop Management Cost Pool (e.g. Receptionist/Greeter, Data Entry/Support Staff, Technology Support Staff, Fiscal Support Staff)

Some common One-Stop System Cost Sharing examples paid out of ABLE budget direct service (non-administrative) funds include:

- Resource Room Cost Pool (e.g. copier and supplies, fax Internet Access, etc.)
- Outreach/Marketing Pool (e.g. brochures, fliers, orientation materials, signage)

Some other examples of methods (allocation bases) for determining proportionate share include:

- Use of data elements from a common intake form (if available)
- Time distribution (time sheets)
- “Equal Access” (equal benefit to all partners)

Some standards that should be considered when negotiating both Resource and Cost Sharing include:

- Different methods may be used for different costs and/or activities. Certain costs are pooled together and different methodologies may be applied to these cost pools, e.g. Facilities, including rent, utilities and maintenance costs. The allocation plan developed by the partners in the MOU must contain a description of the allocation methodologies used to distribute the shared costs. Periodic reconciliation of actual costs, including adjustments, needs to occur at least quarterly.

- Each partner must pay an amount equal to its share of the costs.

- No partner may pay for a cost that does not benefit its program as determined in the Cost Allocation process.

- No program may pay for a cost that is unallowable under its governing statutes and limitations. See following guidance about this.

- Costs may not be allocated to all partners if the costs benefit only one program or if the costs of the activity serve a single program purpose.
The availability of goods and/or services as a contribution and their use in funding One-Stop operations is a local decision that must be made and agreed to by all partners involved in the MOU. This is based on local program needs. The goods and/or services provided by each partner must be identified and supported through shared costs of the One-Stop.

To reiterate, the ABLE contribution must be "proportionate to the use of the system by individuals attributable to" the ABLE program (20 CFR S662.270). The method of attributing persons to an ABLE program is negotiated as part of the MOU (S662.250(c)). Other related considerations, such as how the system is used by attributable persons, including the level or intensity of services that are provided to them, may be considered in applying the principle of proportionality. Another issue to address may be the application of how this principle is applied to persons who participate in or enroll in multiple One-Stop partner programs.

Limitations on Local Administrative Costs under WIA Title II

Contributions to the operating costs of the One-Stop delivery system, such as rental costs of facilities used by administrative staff, are considered administrative costs under WIA Title II, as defined in section 233(a)(2). The amount of federal funds available under section 231 of WIA Title II for non-instructional purposes is limited to 5%. This amount, in most cases already budgeted in local ABLE approved grants, may be negotiated to a higher percentage, within reason, between local ABLE programs and their regional State ABLE Consultant to help support their required One-Stop partner roles.

As identified earlier, some One-Stop MOU costs can be identified in ABLE program budgets as direct service charges, such as some Resource Room costs, supplies, outreach/marketing, etc., but not ABLE administrative charges.

Costs of other Administrative Responsibilities under WIA Title II

Local ABLE programs have other administrative responsibilities and must meet state and federal requirements, e.g., administrative staff costs, rent, utilities, data management, etc. ABLE administrators must retain a sufficient amount of their WIA Title II administrative funds and/or other funds from other sources to support these grant functions.
Allowable Costs under WIA Title II

Local ABLE programs may only contribute funds toward One-Stop costs that are allowable costs under WIA Title II and the Ohio Department of Education regulations. ABLE does not allow its funds to be used for the acquisition of real property or construction.

*Note: The local ABLE program(s) and local WIA Board may determine the amount and manner of the contribution within these above-referenced parameters. ABLE contributions may be made directly through a transfer of funds or provided through the provision of goods and/or services.*

Inability to Execute a Local One-Stop MOU

One-Stop participation requirements are set forth in both WIA Titles I and II. ABLE programs have a responsibility to fulfill the applicable One-Stop requirements in both sections of this federal legislation, as stated earlier.

It is required by 20 CFR S662.310(b) that either the State ABLE Office or local ABLE programs enter into “good faith negotiations” with local WIA boards to develop and implement One-Stop MOUs that meet the requirements of WIA Title I. These negotiations must be documented. If an impasse develops, local ABLE programs may request assistance from the State ABLE Office to help resolve this impasse. By law, a local ABLE program must at least inform the State ABLE Office if it has reached such an impasse. A local ABLE program cannot be represented on a local WIA board while their MOU is at an impasse. Further, any local area that has failed to negotiate an MOU with all required partners is not eligible for WIA Title I State Incentive Grants until such time as the MOU impasse is resolved and approved.

In summary, WIA Title II-funded ABLE programs are required Ohio One-Stop System partners, and as such, should negotiate in good faith, as a local partner in the Ohio One-Stop System MOU implementation process. The State ABLE Office is available as a resource to assist local ABLE programs with these negotiations. The ultimate benefactors of our collaborative successes are the customers who are provided with high quality One-Stop System services as the customers pursue economic and social self-sufficiency.
Other Considerations

The MOU is also critical to a Local Workforce Investment Area receiving certification for its One-Stop System. Ohio conducted an initial phase of certification that was completed in 2005 that included the requirement that a fully executed MOU was in place for each system. This requirement was carried over into the next generation of certification entitled “Gold Standard Continuous Improvement Program” which was in place from 1/1/08 through 6/30/10. Further One-Stop System Certification will include a completed, current MOU as a requirement.

Sources

2. ODJFS One-Stop System Certification - Version 1.0, 2003
5. OVAE Program Memorandum 99-14, Patricia W. McNeil, assistant secretary of education, “Responsibilities and Opportunities Created by Title I of the Workforce Investment Act of 1998”, June 1, 1999
Appendices
State of Ohio

Workforce Investment Act

Memorandum of Understanding Guidance and Template

(Revised 10/17/08)

To access this guidance and template on the Job and Family Services Web site go to:

http://jfs.ohio.gov/owd/wia/docs/mouguidance.pdf