

WDC RESPONSE TO USDOL ETA FINDING #1

Service Design and Delivery

November 27, 2018

Finding #1 - A and #1 - B

HI DLIR has not completed action to ensure that all local areas have Memorandum of Understanding (MOU) between all one-stop partners.

Local areas have not executed Infrastructure Funding Agreements (IFA) describing the sharing and allocation of infrastructure costs among the partners.

Oahu Workforce Development Board has satisfactorily completed execution of the Memorandum of Understanding and Infrastructure Funding Agreements for its American Job Center. Oahu WDB has 18 partners in the AJC, including Unemployment Insurance, Adult Education and TANF.

Hawaii County Workforce Development Board has signed MOUs with its partners with the exception of Department of Human Services' Division of Vocational Rehabilitation. They are communicating to work out the agreement. The IFAs are a separate document from the MOU and was reviewed by the county Corporation Counsel and sent to partners November 23, 2018. The Hawaii County WDB is working diligently with the partners to negotiate the shared costs.

Maui Workforce Development Board submitted a failure to reach consensus for MOUs with partners. WDC received the notice on November 5, 2018, which reports that the following partners did not agree: TANF, Career and Technical Education, Jobs for Veterans State Grants, and Job Corps. The Maui WDB's agreement includes both the MOU and IFA. However, as of November 26, 2018, Maui WDB Executive Director reported that only TANF and JVSG remain unsigned. WDC is working with the local area and the veteran's representative to share information and WIOA law to find common understanding. Maui WDB's Chair has directly contacted the Deputy Director of the Department of Human Services for assistance with breaking down barriers to the reluctance of TANF to agree. Although there is an official failure to reach consensus on file, Maui WDB continues to work towards compliance. Maui WDB's Notice of Failure to Reach Consensus is attached.

Kauai Workforce Development Board submitted a notice of failure to reach consensus to WDC on November 7, 2018. The notice listed the following partners did not have additional funds for the AJC to share costs: Department of Labor and Industrial Relations' Workforce Development Division for Adult and Dislocated Worker and Wagner-Peyser, Unemployment Insurance, McKinley School for Adults, Kauai Economic Opportunity Employment and Training Services, Kauai County of Housing Assistance, Kauai Community College (Perkins), and TANF. Kauai WDB's Notice of Failure to Reach Consensus is attached.

Finding #1 - C

HI DLIR has not completed the Governor's determination process for local areas that do not complete the IFA.

The WDC has requested and received approval by the USDOL ETA for technical assistance to facilitate between the local WDBs and partners and state board to bring understanding and collaboration to successfully negotiate MOUs and IFAs. USDOL ETA has contracted with Maher & Maher and is finalizing a scope of services. Projected facilitation assistance will be starting in January to through possibly March 2019.

The WDC Executive Committee meets on November 29, 2019, at which time the Executive Director will provide an overview of the local boards' status on MOUs and IFAs. Options for next steps will be reviewed and discussed for action. Options for consideration include, but not limited to:

- Formal status report to the Governor and Director of Labor and Industrial Relations. WDC may ask for the Governor to intervene and work with the Mayors and instruct his Directors of the Departments and Superintendent of Education to give priority to WIOA and sign agreements. WDC would like to request that workforce development become an administration's initiative and active participation and commitment from the Governor and his administration.
- WDC will initiate communications and request meetings with the newly elected Mayors on Maui and Kauai. The Mayor-elect's term on Kauai begins December 1, 2018 and January 1, 2019 for Maui's Mayor-elect. When the Mayors identify their respective cabinet members, it is the intention of the WDC to meet and provide important informational overview and suggested guidance on the local WDB, AJC, WIOA and urgency to comply.
- Partner with the Corporation of National and Community Service to have VISTA workers at each local WDB to assist with building capacity. CNCS has informally expressed interest and is able to offer five VISTA workers, one in each county WDB and one in the WDC office to coordinate with the VISTA workers on each island. CNCS would cover the cost for the first year and WDC can renegotiate for additional years.
- The WDC Board will need to take a hard look at reconfiguring the local areas. Under consideration may be to create two local areas instead of four – maintain Oahu and combine the three Neighbor Islands of Maui, Kauai and Hawaii Island.

The Executive Committee may make recommendations to the WDC Board, which is scheduled to meet on December 13, 2018.

Finding #1 - D

The HI DLIR has not listed updated IFA guidance to all local areas.

The WDC issued updated IFA guidance on September 25, 2018.

Please see attached WIOA BULLETIN NO. 12-16 CHANGE 1: One-Stop Infrastructure Funding and Memoranda of Understanding Deadline.

The bulletin is posted on the WDC webpage: <https://labor.hawaii.gov/wdc/files/2018/09/Final-Signed-WIOA-Bulletin-12-16-CHANGE-1-One-Stop-IFA-and-MOU-Deadlines-9.25.18.pdf>

Notice of Failure to Reach Consensus

Local Workforce Development Area: Maui County

Memorandum of Understanding

Notice is provided to the Workforce Development Council as required by 20 CFR 678.725 that despite every effort, local partners in this local area did not reach consensus on a local **Memorandum of Understanding** for the period of **2018-2020**:

Listed below are the program partners that did not agree and the main reasons for their inability to agree:

Partner Name	Reasons
Temporary Assistance for Needy Families (TANF)	<p>"The DHS requests to have a separate MOU for the TANF program to ensure the state remains compliant with the federal TANF regulations while meeting the requirements of the WIOA. We acknowledge that the WIOA named TANF as a mandatory partner; however, the federal TANF regulations do not align with the WIOA. The department has been seeking guidance and technical assistance from the U.S. Department of Health and Human Services, Administration for Children and Families (ACF), and from the Office of the State Attorney General.</p> <p>Hawaii has a state-administered TANF program while the AJCs are county-operated. The state's TANF program policies are applied the same across all islands so what TANF offers, through the MOU and IFA, must be equitable across all counties.</p> <p>Programs and services that qualify under TANF Purpose 2 "To end dependence of needy parents by promoting job preparation, work, and marriage" must be means-tested. Families must be TANF eligible in order to qualify for TANF-funded services, i.e. there is a dependent child in the family, there is a specified relationship between the adult and the dependent child, citizenship status, and income below a certain threshold. This is another federal TANF requirement that must be considered."</p>
Community College – CTE programs (Perkins)	Under review

Infrastructure Funding Agreement

The inability to reach agreement was because one or more partners do not agree with how comprehensive one-stop center infrastructure costs will be funded for the period of **2018-2020**.

Listed below are the program partners who did not agree to the budget for one-stop center infrastructure costs and the main reasons for their inability to agree:

Partner Name	Reasons
Jobs for Veterans State Grants (JVSG)	<p>"WDD cannot agree to the JVSG amount of \$1,285 as provided on page 23 or 32 of the MOU. Although, JVSG is a required partner, services to Veterans are provided by the Wagner-Peyser program. If staff determines a veteran or eligible spouse meets the definition of an individual with a Significant Barrier to Employment (SBE), then the veteran or eligible spouse is referred to the Disabled Veterans' Outreach Representative on Oahu at the AJC Hawaii.</p> <p>As provided in TEGL No. 19-13, the Disabled Veterans' Outreach Program Specialists (DVOP) and the Local Veterans' Employment Representatives (LVER) are included among the AJC partner staff. The DVOP is a partner in the AJC Hawaii and provide services online via Skype for the neighbor islands."</p>
Community College – CTE programs (Perkins)	Under review
Temporary Assistance for Needy Families (TANF)	"In addition to the responses above, the DHS must ensure there is a method or formula to determine TANF's allocated portion of the costs regardless of the amount, and the same method/formula is applied for all counties."
Job Corps	"The San Francisco Regional Office of Job Corps has directed that Job Corps centers cannot sign an MOU that obligates funding. On page 23 Job Corps will need to show a non-personnel cost of 0 for the annual partner contribution amounts."

Signatures:



Leslie Wilkins, Chair
Maui County Workforce Development Board

November 1, 2018

Date



Alan M. Arakawa, Mayor
Maui County

11/5/18

Date

Notice of Failure to Reach Consensus

DLIR WDD

2018 NOV -7 A 9: 26

Local Workforce Development Area: Kaua'i County

Memorandum of Understanding

Notice is provided to the Workforce Development Council as required by 20 CFR 678.725 that despite every effort, local partners in this local area did not reach consensus on a local Memorandum of Understanding for the period of: **2018-2020**

Listed below are the program partners that did not agree and the main reasons for their ability to agree:

Partner Name

Reasons

Infrastructure Funding Agreement

The inability to reach agreement was because one or more partners do not agree with how comprehensive one-stop center infrastructure costs will be funded for the period:

Listed below are the program partners who did not agree to the budget for one-stop center infrastructure costs and the main reasons for their inability to agree:

Partner Name

Reasons

DLIR-WDD Adult Program	Did not receive additional funds for the AJC and does not have the allocated funds as proposed
DLIR-WDD Dislocated Worker Program	Did not receive additional funds for the AJC and does not have the allocated funds as proposed
DLIR-WDD Wagner-Peyser	Did not receive additional funds for the AJC and does not have the allocated funds as proposed
McKinley School for Adults Adult Ed/Family Literacy	Did not receive additional funds for the AJC and does not have the allocated funds as proposed
Kauai Economic Opportunity Employment & Training Svcs	Did not receive additional funds for the AJC and does not have the allocated funds as proposed

County of Kauai - Housing
Housing Assistance (HUD)

Did not receive additional funds for the AJC and does not
have the allocated funds as proposed

DLIR-Unemployment Insurance

Did not receive additional funds for the AJC and does not
have the allocated funds as proposed

State Dept. of Human Services
(TANF)

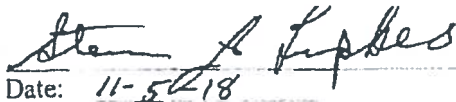
Did not receive additional funds for the AJC and does not
have the allocated funds as proposed

Kauai Community College
(Carl Perkins)

Did not receive additional funds for the AJC and does not
have the allocated funds as proposed

Signatures:

Chair, Steve Lupkes
Local Workforce Development Board



Date: 11-5-18

Mayor, Bernard P. Carvalho Jr.



Date: 11/5/18

DAVID Y. IGE
GOVERNOR

DOUGLAS S. CHIN
LIEUTENANT GOVERNOR



LESLIE WILKINS
CHAIRPERSON

ALLICYN C.H. TASAKA
EXECUTIVE DIRECTOR

STATE OF HAWAII
WORKFORCE DEVELOPMENT COUNCIL
830 Punchbowl Street, Suite 417, Honolulu, Hawaii 96813
Phone: (808) 586-8630 Web: <http://labor.hawaii.gov/wdc/>

(SN 12)

WIOA BULLETIN NO. 12-16 Change 1

DATE: September 25, 2018

TO: WIOA PARTNERS

SUBJECT: One-Stop Infrastructure Funding and Memoranda of Understanding Deadline

PURPOSE:

The purpose of this bulletin is to transmit a final deadline for the Memoranda of Understanding (MOUs) and Infrastructure Funding Agreements (IFAs) for the American Job Centers (AJC) in each local area.

BACKGROUND:

A team of monitors from the U.S. Department of Labor Employment and Training Administration, Region 6 conducted an on-site review of Workforce Innovation and Opportunity Act Programs and Wagner-Peyser on July 23-27, 2018. The report from that review requires the State to submit copies of all local areas' signed MOUs, with IFAs within 60 days. Failure to submit in 60 days will result in a recommendation to the Grant Officer to question IFA costs that may lead to disallowed costs. WDC's internal deadline is November 15, 2018 to meet the Federal due date of November 20, 2018.

POLICY:

Each local area will submit signed MOAs and IFAs for each AJC partner: core, mandatory, and optional to the Workforce Development Council by Friday, November 9, 2018.

State Funding Mechanism [WIOA 121(h)(1)(A)(i)(I)]:

If the Local WDB fails to reach consensus with all of the required partners by Thursday, November 1, 2018, the State Funding Mechanism will be triggered.

Step 1: A notice in writing signed by the Mayor and Chair of the LWDB must be sent by Monday, November 5, 2018 (Attachment 1) via email at: Allicyn.H.Tasaka@hawaii.gov; or mail to:

Allicyn C. H. Tasaka, Executive Director
Workforce Development Council
830 Punchbowl Street, Room 417
Honolulu, HI 96813

Step 2: Local negotiation materials will be provided to the WDC. At a minimum, the following must also be provided:

- a. The cost allocation methodology or methodologies proposed by the partners to be used in determining the proportionate share;
- b. The proposed amounts or budget to fund infrastructure costs and the amount of partner funds included;
- c. The type of funds (cash, non-cash, and third-party in-kind contributions) available;
- d. Any proposed or agreed upon one-stop center or system budget;
- e. Any partially agreed upon, proposed, or draft IFAs; and
- f. All signed MOUs and IFAs.

Step 3: The WDC will make the final determination of each required partner's proportionate share of infrastructure costs using the infrastructure budget, the cost allocation methodology, and the partners' proportionate shares taking into account each partner's individual applicable limiting percentage. The limiting percentages are the statutorily established percentages in WIOA 121(h)(2)(d), 20 CFR 678.738(c), 34 CFR 361.738(c), and 34 CFR 463.738(c); dependent on the type of program to the total Federal funding which that program receives for the affected program year to reach the maximum potential cap. The applicable program cap for a local area will be determined by using the same proportion used to distribute WIOA funds to the counties (local areas).

Appeals Process for Infrastructure Costs:

A required partner may appeal the determination on the basis of a claim that:

1. The determination is inconsistent with the proportionate share requirements of 20 CFR 678.735(a).
2. The determination is inconsistent with the cost contribution caps described in 20 CFR 678.735(c).

An appeal must be made within 21 days of the WDC's determination and follow the appeal process outlined in the State Unified Plan.



ALLICYN C.H. TASAKA
Executive Director

Attachment 1: Notice of Failure to Reach Consensus

C: ASO-WIOA Unit

Notice of Failure to Reach Consensus

Local Workforce Development Area: _____

Memorandum of Understanding

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Partner Name	Reasons
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Infrastructure Funding Agreement

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Listed below are the program partners who did not agree to the budget for one-stop center infrastructure costs and the main reasons for their inability to agree:

Partner Name	Reasons
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Signatures:

Chair, Local Workforce Development Board

Date: _____

Mayor _____

Date: _____