

*Implementation Study of the Workforce Innovation and Opportunity Act
(WIOA) Regarding Title I and Title III Core Programs*

New Requirements for American Job Center Systems Regarding One-Stop Operators, Partnership Agreements, and Certification

Based on findings from 14 states and 28 local areas in 2019

November 2020

Brittany English and Pamela Holcomb

Submitted to:

U.S. Department of Labor
Chief Evaluation Office
200 Constitution Avenue, NW
Washington, DC 20210

Submitted by:

Mathematica
P.O. Box 2393
Princeton, NJ 08543-2393
Phone: (609) 799-3535
Fax: (609) 799-0005

This report has been funded by the U.S. Department of Labor, under Contract Number DOLQ129633249. The contents of this publication do not necessarily reflect the views or policies of the Department of Labor, nor does mention of trade names, commercial products, or organizations imply endorsement of same by the U.S. Government. This project was managed jointly by the Employment and Training Administration's Division of Research and Evaluation and the Chief Evaluation Office.

Acknowledgments

We gratefully acknowledge the contributions of those who made this study possible. We benefitted from the valuable guidance provided by many individuals from DOL’s Chief Evaluation Office and Employment and Training Administration over the course of the study, especially Janet Javar, Eileen Pederson, and Charlotte Schifferes. Research staff from Mathematica and our partner, Social Policy Research Associates collected the information from states and local areas across the country on which this report is based. Members of our Technical Working Group (TWG) gave critical feedback on the study. We also thank members of the TWG and staff from DOL and Mathematica for their careful review of this report. Finally, we are indebted to the many administrators and staff who took the time to talk with us about their work and ongoing WIOA implementation efforts.

Reports in this series

- Operationalizing Changes to the Title I Youth Program Under WIOA
- State and Local Efforts to Strengthen Workforce System Governance and Planning Under WIOA
- New Requirements for American Job Center Systems Regarding One-Stop Operators, Partnership Agreements, and Certification
- Change and Continuity in the Adult and Dislocated Worker Programs Under WIOA
- Performance Accountability, Eligible Training Providers, Labor Market Information, and Evaluation Requirements
- Early Insights from State Implementation of WIOA from 2017
- WIOA Implementation Study: Technical Appendix

CONTENTS

Acknowledgments.....iii

Executive summary.....vii

I. Introduction 1

 A. Study overview 1

 B. Changes in requirements for the AJC system under WIOA..... 3

 1. Requirements to have a separate one-stop operator and competitive procurement 3

 2. Establishment of infrastructure funding agreements (IFAs) and memoranda of understanding (MOUs) with one-stop partners 4

 3. Certification of AJCs 4

 C. Road map to the report..... 5

II. Competitively procuring one-stop operators 6

 A. Changes from WIA to WIOA..... 6

 B. Common one-stop operator competition challenges 7

 C. State policies for one-stop operator competitions..... 7

 D. Conducting one-stop operator competitions 10

 1. Local board experiences conducting one-stop operator competitions..... 10

 2. Conducting competitions in single-workforce area states..... 12

 3. Perceived changes resulting from one-stop operator competitions..... 12

III. Promoting partner involvement through MOUs and cost sharing 15

 A. Transitioning to cost sharing under WIOA..... 15

 B. Common challenges faced in negotiating MOUs and IFAs 17

 C. State efforts to support MOU and IFA development..... 19

 D. Local board processes for developing MOUs and IFAs..... 21

 1. Process for negotiating with partners 21

 2. Contributions and cost allocation methodologies 21

 3. Challenges faced by local boards..... 24

 4. Promising strategies 25

IV. Implementing AJC certification requirements 27

 A. Facilitating changes from WIA to WIOA..... 27

 B. Improving physical accessibility 28

 C. Increasing access to AJC services through certification..... 29

 D. Promoting board and partner involvement through the certification process..... 30

V. Looking ahead 33

References..... 34

Appendix A: WIOA Implementation Study Components..... A.1

EXHIBITS

ES.1 WIOA’s six core programs and other required partner programs.....viii

ES.2 Site visit locations in 2019 (14 states and 28 local areas)viii

I.1 WIOA’s six core programs and other required partner programs..... 1

I.2 States and local areas visited in 2019.....2

I.3 Types of site visit respondents at the state and local levels.....3

II.1 Competitively procured one-stop operators, by organization type7

III.1 Partner co-location at comprehensive AJCs 16

III.2 Partners making cash contributions to comprehensive AJCs compared to co-located partners22

Executive summary

The Workforce Innovation and Opportunity Act (WIOA) of 2014 included multiple provisions to strengthen service quality, access, accountability, and alignment across many programs (see Exhibit ES.1). This report focuses on implementation of key changes to financial and management requirements for the American Job Center (AJC) system in order to seamlessly deliver services to all workforce customers across various partners.

The report is one in a series of five reports, developed as part of a study of WIOA implementation commissioned by USDOL and conducted by Mathematica and Social Policy Research Associates. The other reports address changes in the following:

- Governance and planning;
- The Title I youth program;
- Services for adults, dislocated workers, and employers; and
- Performance accountability and reporting, eligible training providers, labor market information, and evaluation requirements.

Data for this report are drawn primarily from site visit interviews, conducted in early 2019, with administrators, board chairs and members, employer and agency partners, and frontline staff in 14 states and 28 local areas (see Exhibit ES.2).

Other sources of information include administrative data and relevant state and local documents. The site visit locations were purposively selected to assure diversity geographically and in size, among other criteria.¹ The findings here, based on those interviews, should therefore be viewed as suggestive of common experiences and not assumed to be nationally representative.

The Workforce Innovation and Opportunity Act

Signed into law on July 22, 2014, WIOA retained many provisions from the prior law, the Workforce Investment Act of 1998 (WIA), which created a system of service delivery at the local level through American Job Centers (AJCs), with guidance and oversight from local workforce development boards, all under the policy and oversight from state workforce agencies and boards. As did the prior law, WIOA authorized multiple workforce programs as well as two related programs administered by the U.S. Department of Education. Overall there are six “core” programs under the law for which coordination and integration were required to be strengthened at the state and local levels, along with multiple other programs required to be included in local partnerships.

¹ The site visits included visits to 28 AJCs. At the time of the visits, the AJC system was comprised of 2,393 centers, including 1,393 comprehensive centers and 999 affiliate centers.

Exhibit ES.1, WIOA’s six core programs and other required partner programs

WIOA Core Programs

U.S. Department of Labor (USDOL):

- Title I - 3 Programs: a) Adult, b) Dislocated Worker, and c) Youth Programs
- Title III - Wagner-Peyser Act - Employment Service (ES)

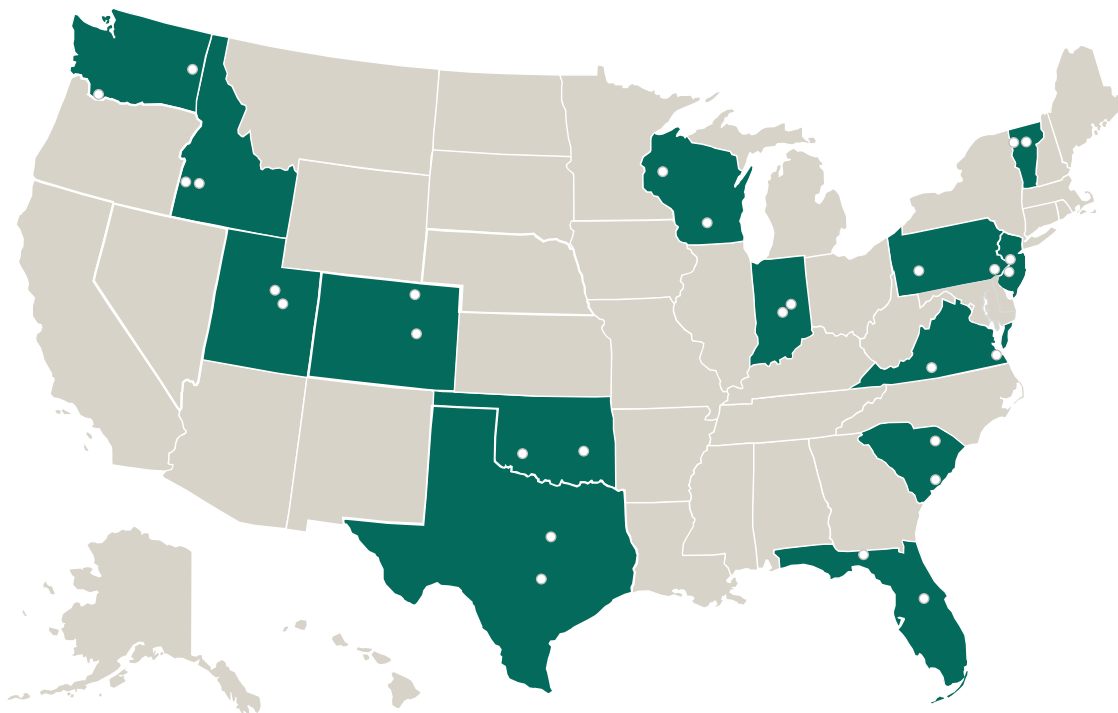
U.S. Department of Education:

- Title II - Adult Education and Family Literacy Act (AEFLA)
- Title IV – State Vocational Rehabilitation (VR) programs under the Rehabilitation Act of 1973

Other Required One-Stop Partner Programs

- U.S. Department of Labor: Job Corps, YouthBuild, Indian and Native American programs, National Farmworker Jobs Program, Migrant and Seasonal Farmworker Programs, Senior Community Service Employment Program, Trade Adjustment Assistance, Unemployment Compensation programs, Jobs for Veterans State Grants, and Reentry Employment Opportunities
- U.S. Department of Education: Carl D. Perkins Career and Technical Education Act programs
- U.S. Department of Housing and Urban Development: Employment and Training programs
- U.S. Department of Health and Human Services: Community Services Block Grant employment and training programs and Temporary Assistance for Needy Families (TANF)

Exhibit ES.2. Site visit locations in 2019 (14 states and 28 local areas)



Note: White dots are local areas visited for the study. See Appendix A.1 for a list of states and local sites included in the study. The list, as well as more information on the site visits, is found in the Technical Appendix for the overall evaluation.

A. WIOA financial and management requirements for American Job Centers

WIOA included several new provisions to improve management and financial procedures in local AJCs.² Overall, these changes sought to meet multiple goals, such as improving efficiency and effectiveness, assuring the implementation of key Federal cost principles, enhancing the ability of boards to promote more integrated service delivery, and certifying that key standards regarding access to and quality of local AJC services were met. This report focuses on the following key areas of change:

1. Requirements to have a separate one-stop operator and competitive procurement

Under both WIA and WIOA, one-stop operators may be single-entities or consortia of three or more required one-stop partner organizations. Single entities may be postsecondary educational institutions; government agencies, including Employment Service (ES) agencies; private for-profit entities; private nonprofit organizations, including community-based organizations; local boards; or other interested organizations or entities. WIOA further clarifies that workforce intermediaries, local chambers of commerce or other business organizations, and labor organizations can serve as one-stop operators.

Under WIOA, one-stop operators are required to be selected through a competitive process, whereas WIA only encouraged that the selection of operators be competitive. As detailed in TEGL 15-16 local boards must reissue a competitive operator selection process at least every four years under WIOA. Competition is intended to promote the efficiency and effectiveness of one-stop operators by providing a mechanism for local boards to regularly examine performance and costs against original expectations. Additionally, regular competitive procurements provide local boards with a venue to systematically examine operator effectiveness. As noted in the final rule and subsequent guidance (TEGL 16-16)³, local boards that apply and are selected through a competitive process to serve in the role of operators need to establish firewalls to clearly separate the functions of board staff who monitor operators' performance metrics and those who perform operator functions.

Under the direction of local boards, operators are required to coordinate the delivery of partner program services at their AJCs, ensuring that AJCs can provide customers with career services, training services, and other employment related services provided by required partner programs. Boards may also specify that operators take on the role of (1) coordinating services across multiple AJCs or entire workforce areas (2) functioning as a direct service providers, and (3) managing the day-to-day operations of their AJCs.

2. Establishment of infrastructure funding agreements (IFAs) and memoranda of understanding (MOUs) with one-stop partners

To support the operations of AJCs, both WIA and WIOA require local areas to engage partner programs in resource sharing agreements, called Infrastructure Funding Agreements (IFAs) under WIOA. IFAs work to further codify partner investment in the workforce system to promote and strengthen collaboration across programs that supports a seamless, customer-focused AJC system. Partner programs

² Under WIOA, DOL, in coordination with U.S. Department of Education (ED), established "American Job Center" as the common name and branding for online and in-person workforce development services funded by public programs. Prior to this branding, the American Job Center network was commonly referred to as the one-stop delivery system. (TEGL 16-16).

³ Workforce Innovation and Opportunity Act; Joint Rule for Unified and Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions; Final Rule. See also "Advisory: Training and Employment Guidance Letter, WIOA No. 16-16." January 18, 2017. Available at https://wdr.doleta.gov/directives/attach/TEGL/TEGL_16-16_Acc.pdf.

may also negotiate contributions beyond infrastructure contributions, such as additional costs and shared services, including shared career services. Under WIA, resource sharing agreements served as stand-alone documents, separate from memoranda of understanding (MOUs). However, with WIOA, the IFA must be incorporated into the MOU along with a one-stop operating budget (TEGL 17-16).

WIOA takes cost-sharing requirements a step further than WIA by specifying that each required partner and additional partners operating a program or activity in a local area must contribute to the AJC infrastructure costs in that area—based on proportionate use and relative benefit—to help maintain the AJC system. In contrast, although AJC partners were expected to share resources under WIA, local boards exercised discretion in selecting and applying the cost allocation methodology (or methodologies) and resource sharing as defined under WIA often did not occur. Under WIA, the Adult and Dislocated Worker programs as well as the Wagner-Peyser program typically bore most of the costs associated with operating AJCs, despite co-location with other programs (English and Osborn, 2018). Given the dynamic under WIA, local boards and partners overwhelmingly viewed the need to fill resource sharing obligations in relation to whether the partner had an on-site presence at the AJC. Therefore, in practice, sharing one-stop operating costs was commonly limited to a subset of partners co-located at the AJC. WIOA, however, emphasizes that these resource sharing requirements apply to “virtual partners”—partners who do not have a physical presence in the AJC.

3. Certification of AJCs

WIOA formalized and strengthened AJC certification efforts, as compared with prior law. State boards are required to develop AJC certification criteria and processes that establish a minimum level of quality and consistency of services in AJCs across the state and set common standards for providing seamless services to job seekers across multiple programs. Local WDBs must follow procedures and criteria established by the State board and certify its comprehensive and affiliate AJCs at least once every three years (TEGL 16-16).

B. Key findings on financial and management requirements for American Job Centers

Drawing on information collected through site visits, this section describes key findings related to WIOA’s financial and management requirements for AJCs. First, it describes the perspectives of study respondents on key changes made by WIOA concerning how AJCs are operated, financed, and certified. The remainder of this section describes key challenges encountered and strategies to address them.

Program administrators and staff, workforce development board staff and chairs, and partners who were interviewed for this study noted that the changes in key financial and management practices provided important opportunities for improving the functioning of their local systems. Nonetheless, a number of respondents described challenges in implementing these requirements, as discussed below. Respondents identified several useful strategies that they employed to implement these requirements.

1. New requirements regarding the roles and competitive procurement of one-stop operators

These requirements represented a major shift for the public workforce system. Prior to WIOA, most local areas did not use a competitive process for selecting operators, and many boards fulfilled that role themselves. For example, among the 40 sites included in the Institutional Analysis of AJCs study, only nine operators had been selected through a competitive process and most centers were operated by local boards or state workforce agencies (Dunham and Kogan 2018).

As identified through this study's data collection, among the 28 local areas visited, 21 competitively procured one-stop operators. Sixteen local areas selected new entities to serve as one-stop operators through their procurements. Many of these local areas (6 of 16) selected nonprofits or community-based organizations to serve as one-stop operators. In 11 of the 21 local areas that competitively procured operators, the selected operator also served as the WIOA Title I Adult and Dislocated Worker service provider.

State guidance. State respondents noted that they provided guidance to local areas on the procurement process that was based largely on the federal guidance. Recognizing that entities such as local boards often served as the fiscal agent and operator under WIA, WIOA mandates the use of firewalls in the procurement process to mitigate potential conflicts of interests. All states issued guidance that (1) identified what types of entities could serve in the role, (2) required request for proposal (RFP) elements, and (3) described firewall requirements (Wu 2017). A handful of states issued additional guidance that defined the operator role, specified funding requirements, or provided additional tools, such as checklists or sample requests for proposals (RFPs). In these states, study respondents viewed the additional guidance as useful, and local respondents in states where such help was not provided perceived a need for additional guidance.

One-Stop Operator competitions. Following state-issued guidance, local boards typically developed, issued, and scored their RFPs. Although this was a new process for most of the local boards, all but one implemented a successful competition. Among the 11 multi-workforce area states included in the study, boards from 10 states conducted successful competitions that resulted in competitively selected one-stop operators, most commonly non-profits or other community-based organizations. To ensure that the process went smoothly, a few boards worked with consultants or county procurement offices to conduct the process and establish appropriate firewalls. In the three single workforce area states, operator competitions followed a different process. Two selected the state workforce agency to serve as operator, and one issued a sole source solicitation by the state procurement office.

Commonly reported challenges. A number of state and local respondents raised similar concerns and challenges related to the competitive procurement of one-stop operators, such as:

- **Identifying funding for one-stop operators.** Several state and local boards reported that they struggled to identify funding sources and the appropriate amount of funds to use for the contracts. Under WIA, boards described how they fulfilled the responsibilities of operators and absorbed the costs of the required staff time so they did not incur other direct costs associated with managing center operations. Additionally, a few respondents stated that funds being spent on these contracts detracted from what could have been spent on services.
- **Understanding the one-stop operator role.** In many local areas, under WIA, one entity served as the operator, fiscal agent, and service provider. Under WIOA, these local areas needed to clearly delineate the various roles and work to define the role of the operator in a way that would add value to their workforce systems. Many respondents highlighted that they were unsure exactly what were the operator's roles in their systems. For instance, some respondents reported that they struggled to understand if the operator should focus solely on the physical operations of AJCs or be engaged in managing and facilitating partnerships. Moving forward, local boards described efforts to define the role so that it would not add a layer of bureaucracy in their systems. State board staff in one state viewed the wide variation in the size of operator contracts in the state as a signal that more

clarification at the state and federal levels would allow local boards to better define the operator's role and to determine the amount of funds needed to fulfill that role.

- **Shifts in culture and relationships.** Some respondents pointed to concerns about how WIOA's requirement for the competitive selection of one-stop operators would influence the culture of AJCs and the workforce system. Although WIOA allows consortia of partners to serve as operators, many AJCs included in the study shifted from being operated by consortia to single entities. At the time of the site visits, consortia operated AJCs in three local areas. Some respondents expressed concern about how these shifts would affect partner relationships and engagement in AJCs. As these respondents noted, some partners shifted from being involved in day-to-day AJC operations to serving only on local boards.

Promising strategies. In other local areas, operator competitions presented an opportunity to better facilitate partner involvement by tasking a single entity with responsibility for convening partners and sharing information. A few respondents highlighted the opportunities presented by competitive selection of one-stop operators, noting that this resulted in increased information sharing, which reportedly resulted in improvements to service delivery. These boards selected entities with a history of serving as one-stop operators, and these one-stop operators provided AJCs with new tools to improve referral processes and assess customer satisfaction. Other local boards recognized that one-stop operators could take ownership over a range of issues that often fell through the cracks under WIA, such as facilitating partner meetings and trainings.

2. Establishing MOUs and IFAs

WIA, and now WIOA, specified expectations for resource sharing across partner programs at the local level to support the AJC system. Both Acts stipulated that all partner programs are expected to support the costs associated with operating AJCs, including infrastructure costs and the costs of providing services that are shared across AJC partners. To support the operations of AJCs, both WIA and WIOA required local areas to engage partner programs in resource sharing agreements, called Infrastructure Funding Agreements (IFAs) under WIOA. Under WIA, resource sharing agreements served as stand-alone documents, separate from memoranda of understanding (MOUs). As described in prior research, resource sharing under WIA tended to be limited to co-located partners and partners often provided in-kind contributions (English and Osborn, 2018).

WIOA explicitly mandates that local boards negotiate and enter into IFAs with all required partners to share AJC infrastructure costs. IFAs must then be integrated into MOUs with those partners along with a one-stop operating budget. All required partners must contribute to IFAs, regardless of co-location in AJCs.

Overall, cost sharing under WIOA, codified through MOUs and IFAs, increased the number of partners making financial contributions to AJCs among the study sites while also creating new challenges for cultivating partnerships in support of streamlined AJC operations, as discussed below.

Effects on coordination with partners. Although local boards expressed concerns regarding the extent to which IFAs could limit partner co-location, co-location did not appear to change in meaningful ways in response to WIOA's MOU and IFA requirements. Few partners across the 14 states were reported to have stopped co-locating in comprehensive AJCs due to IFA requirements. Among partner programs, Title I Adult and Dislocated Worker and Title III Employment Services most commonly contributed to IFAs.

Although co-location did not change in meaningful ways, respondents reported that off-site partners often began making cash contributions to AJCs. Title II Adult Education and Family Literacy Act and Title IV Vocational Rehabilitation (VR) partners contributed to IFAs more frequently than they physically co-located within AJCs.

Because physically co-located partners most commonly contributed to IFAs, local boards typically relied on square footage occupied by number of full-time equivalent staff present in AJCs to determine partner contributions. For partners that did not co-locate, some local boards used data to determine contributions. For example, one local board relied on customer-identified reasons for visiting AJCs to determine partner contributions.

State guidance and technical assistance. States varied greatly in the extent to which they offered helpful guidance and support for the MOU and IFA processes. As with the operator competitions, states reported at a minimum providing written guidance on the requirements, based heavily on joint DOL and Department of Education federal guidance. A few states reported offering additional prescriptive guidance that included templates or tools that local boards used to structure their agreements and determine partner contributions.

A few states built on written guidance provided to local areas by also offering more intensive technical assistance or support. Two states opted to pilot their proposed IFA process with one or two local boards to understand local-level needs and then develop more detailed guidance aligned with issues identified in the field. Other states sought to foster collaboration at the state level in support of local-level negotiations. In these instances, states worked to bring partners to the table to describe WIOA's requirements and the implications for their programs and contributions. This approach reportedly helped get partners on the same page and equipped partner staff to engage with local board staff during negotiations. States hoped that by taking on some responsibility for financial negotiations with partners, local boards would be able to focus their efforts on collaboration rather than contributions.

Local processes for MOU and IFA development. When developing MOUs and IFAs, local boards reported that they prioritized structuring the agreements and contributions to protect and strengthen existing partnerships and cultivate new partnerships. Most local boards reported engaging directly with their partners to negotiate cash contributions. However, a few hired outside consultants to facilitate the negotiation process and, as described previously, some states negotiated with state-operated partner programs on behalf of local boards. All local boards in the study reported achieving consensus at the local level and did not rely on the state funding mechanism to secure partner contributions.

Commonly reported challenges. A number of respondents reported that the MOU and IFA processes were challenging to implement. They identified several concerns and key challenges associated with the requirement and process:

- **Gaps in guidance and technical assistance.** Several state respondents noted that delays in receiving the federal guidance and toolkit hindered their ability to develop and disseminate timely state-specific guidance. Respondents perceived that these delays led to confusion among partners. Local board respondents also highlighted that partners often lacked guidance related to MOUs and IFAs or an understanding of their program's requirements under WIOA. In some instances, partners did not have the same understanding of the MOU and IFA requirements; local boards described struggling to negotiate meaningful contributions and increased tensions with partners due to the request for contributions.

- **Resource constraints.** Many respondents identified partner resource constraints as limiting these programs' ability to enter into MOUs and IFAs. As described by local board respondents, partner resource constraints limited the magnitude of financial contributions in IFAs. Physical space constraints also limited IFA contributions. Some study AJCs faced space constraints and thus they could not invite partners to co-locate. In other local areas, some partners held long-term leases on existing office spaces, which prevented them from co-locating in AJCs.
- **Determining the level of contributions for off-site partners.** Site visit respondents described the important role that pre-existing partnerships played in local boards' efforts to determine and collect contributions from off-site partners. When partners did not have a history of collaboration, local boards needed to proactively bring new partners to the table, which they described as challenging. Partners that were not co-located in the AJCs expressed concerns regarding contributing to the financial costs associated with operating AJCs.

Given these challenges, many off-site partners interviewed during the site visits had not begun making cash contributions. In some instances, these partners operated stand-alone offices that respondents believed best served their participants' needs. In other instances, partners held long-term leases on dedicated office space, thereby preventing co-location at the AJC. Determining what constituted a fair contribution for these partners created challenges for state and local boards who could not apply cost allocation methodologies, such as square footage occupied in the AJC, to calculate partners' proposed financial contributions. Ultimately, as described by partners and local boards, partners did come to the table, despite these challenges.

- **Increased administrative burden.** A number of state and local staff respondents described the sheer amount of time needed to establish MOUs and IFAs as challenging. For state-operated programs, the MOU and IFA processes required state agencies to manage contracts at the area level rather than the state level. In addition to managing more agreements, each agreement also needed to go through multiple levels of legal review. For local boards, IFAs were reported to generate additional time demands to determine and collect small amounts of funds, with the administrative cost often exceeding the monetary value of the contributions themselves. As described by local board respondents, engaging new partners in the IFA and MOU process required establishing communication channels to support negotiations and achieve consensus.

Promising strategies. Some states and local boards identified some potentially promising approaches for establishing MOUs and IFAs that promoted a more integrated AJC system. A few states used their data systems or kiosks located in AJCs to determine customers' reasons for visiting AJCs and then used that information to determine contributions based on the amount of AJC traffic generated by off-site partners. Recognizing that co-location facilitated cost sharing, one state reported following a phased approach for increasing VR co-location and, by extension, IFA contributions. As lease agreements for VR offices expired, the state workforce agency worked to add private office spaces to AJCs so that VR staff could co-locate and share in the costs of operating the AJC.

Through their initial efforts to establish MOUs and IFAs, states, local boards, and their partners identified improvements in their processes for use in subsequent negotiations with the goals of minimizing administrative burden and maintaining strong partnerships. Once approved, local boards could make changes to MOUs and IFAs. Annual reviews offered opportunities to adjust agreements based on lessons learned during the development and negotiation of these agreements in previous rounds. A number of respondents expressed optimism that the MOU and IFA processes would become smoother as everyone gained a better understanding of these requirements.

3. Assessment and certification of AJCs

WIOA emphasizes the need for an integrated AJC system that seamlessly delivers services to all workforce customers across various partners, improves access to services, and ensures continuous improvement. To achieve this vision, WIOA mandates frequent assessment and certification of comprehensive and affiliate AJCs. State boards develop AJC certification criteria and processes that specify a minimum level of quality and consistency of services in AJCs across the state. As articulated in federal guidance, the AJC certification process is intended to create common standards for providing seamless services to job seekers (Wu 2017). WIOA formalized and strengthened certification efforts that many states began under WIA. At the time of the site visits, nine of the 14 study states had some form of certification policy in place that had begun under WIA. However, with the passage of WIOA, these states formalized these efforts and created additional requirements. The other five states visited had begun certification efforts in response to WIOA's requirements.

State and local board respondents during the site visits recognized the potential for the certification process to improve board engagement in the workforce system, increase partner coordination, and ultimately lead to more accessible and streamlined service delivery in several key areas, as discussed below.

Improving physical accessibility. Among the study sites, AJC certification required states and local boards to ensure the physical accessibility of AJCs, including meeting Americans with Disabilities Act (ADA) requirements. In particular, provisions in AJC leases often prevented states and local boards from changing and updating physical spaces to improve accessibility and meet ADA requirements. Limited time and financial resources placed further constraints on state and local boards' ability to carry out the certification process as required by WIOA. Most states and local areas included in the study needed to address physical accessibility issues at their AJCs in order to certify them. VR partners often helped to identify accessibility issues in AJCs.

Increasing access to AJC services through certification. Most state respondents noted that they focused on setting standards for the accessibility of the state's AJCs and used the certification process to formalize elements of their service delivery models.

State certification requirements typically were in the form of checklists that specified each of the criteria. Given the number of factors that needed to be included, these checklists often included more than 100 criteria to be evaluated. Across the study states, certification criteria addressed efforts to evaluate the effectiveness and accessibility of services, including physical accessibility; promote continuous improvement; and provide quality assurance.

Benefits of certification. A few state and local respondents described changes to service delivery stemming from AJC certification. They noted that the certification process resulted in improved referrals due to efforts to better understand partner services, employ warm hand-off referrals, and improve referral tracking. Others worked to streamline services and remove redundancies, such as requiring customers to complete the same assessment multiple times across partners.

Other study respondents identified a number of institutional benefits associated with the certification process. Local board directors used this process to engage their board members in having them conduct certification reviews of AJCs, which board directors perceived as helping members better understand the AJC system and customer experience. Additionally, although extensive certification criteria required collecting significant amounts of documentation from partners, the process helped local boards involve

their partners and cultivated a better understanding of each partner's services. In some cases, this helped to improve service delivery through streamlined services and improved referral procedures.

Commonly reported challenges. Study respondents pointed to a few key challenges related to AJC certification:

- **Difficulty meeting ADA requirements.** Many respondents described their limited capacity to meet ADA standards due to lease provisions, negotiations with building landlords, and insufficient funding to address identified issues.
- **Concerns about increased administrative burden.** For many local boards, the certification process required significant time on the part of board staff and members. Depending on the state's approach, local board staff and members often had to spend substantial time visiting centers or collecting documentation in support of certification. Thus, limited time and financial resources sometimes placed constraints on state and local boards' ability to carry out the certification process as required by WIOA.

C. Looking ahead

The experiences of states and local areas in implementing WIOA's key financial and management requirements, as discussed above, suggest several areas for possible technical assistance to enhance future implementation and help assure that the new requirements are met. These include:

Reducing administrative burden. Respondents shared that each of the changes to AJC operations described in this report required states and local boards to commit substantial staff time to ensure their successful administration. Local boards might benefit from additional guidance or tools to help streamline the process for issuing and scoring one-stop operator RFPs, negotiating MOUs and IFAs, and certifying AJCs.

Improving understanding of WIOA requirements. States and local boards might benefit from more targeted technical assistance on specific WIOA requirements. At the federal level, additional assistance could help states better understand the key requirements for operator competitions, MOUs and IFAs, and AJC certification. More technical assistance could also help local boards define and fund the operator role and negotiate partner contributions.

Supporting partner engagement. States and local boards perceived that implementation of each of these WIOA requirements was smoother and more successful when partners participated in the development of state-specific policies. When states and local boards had to work to establish partnerships while also implementing new regulations, the process tended to be more challenging and contentious. Even in these instances, initial efforts to establish IFAs and MOUs brought new partners to the table, setting the stage for continued collaboration. Moving forward, additional guidance and peer sharing on effective partner engagement could help facilitate implementation of WIOA requirements. Engaging partners in developing or updating state-specific policies could help strengthen and protect partner relationships by cultivating a common understanding of WIOA's requirements and vision. Further, early involvement of partners may help states craft more integrated policies that align with the needs of the workforce system's diverse stakeholders.

I. Introduction

The Workforce Innovation and Opportunity Act (WIOA) of 2014 included multiple provisions to strengthen service quality, access, accountability, and coordination across many programs (Exhibit I.1). One of the key areas of transformation in WIOA is emphasizing the need for an integrated American Job Center (AJC) systems that seamlessly delivers services to all workforce customers across various partners in local areas. This report focuses on implementation of WIOA’s enhancements around how AJC systems are managed, financed, and maintained.

A. Study overview

The report is one in a series of five papers developed as part of a study of WIOA implementation, commissioned by USDOL and conducted by Mathematica and Social Policy Research Associates. Data for this report are drawn primarily from site visit interviews, conducted in early 2019, with state and local administrators, board chairs and members, employer and agency partners, and frontline staff, in 14 states and 28 local areas. The site visits included visits to three states with single workforce areas. To learn about local implementation in these states, visits included interviews with staff located at two American Job Centers. Perspectives from these respondents are included among the perspectives of local area respondents from the other 11 states. This report also draws on information from relevant documents provided by states and local areas.

Exhibit I.1 WIOA’s six core programs and other required partner programs

WIOA Core Programs

U.S. Department of Labor (USDOL):

- Title I - 3 Programs: a) Adult, b) Dislocated Worker, and c) Youth Programs
- Title III - Wagner-Peyser Act - Employment Services (ES)

U.S. Department of Education:

- Title II - Adult Education and Family Literacy Act (AEFLA)
- Title IV – State Vocational Rehabilitation (VR) programs under the Rehabilitation Act of 1973

Other Required One-Stop Partner Programs

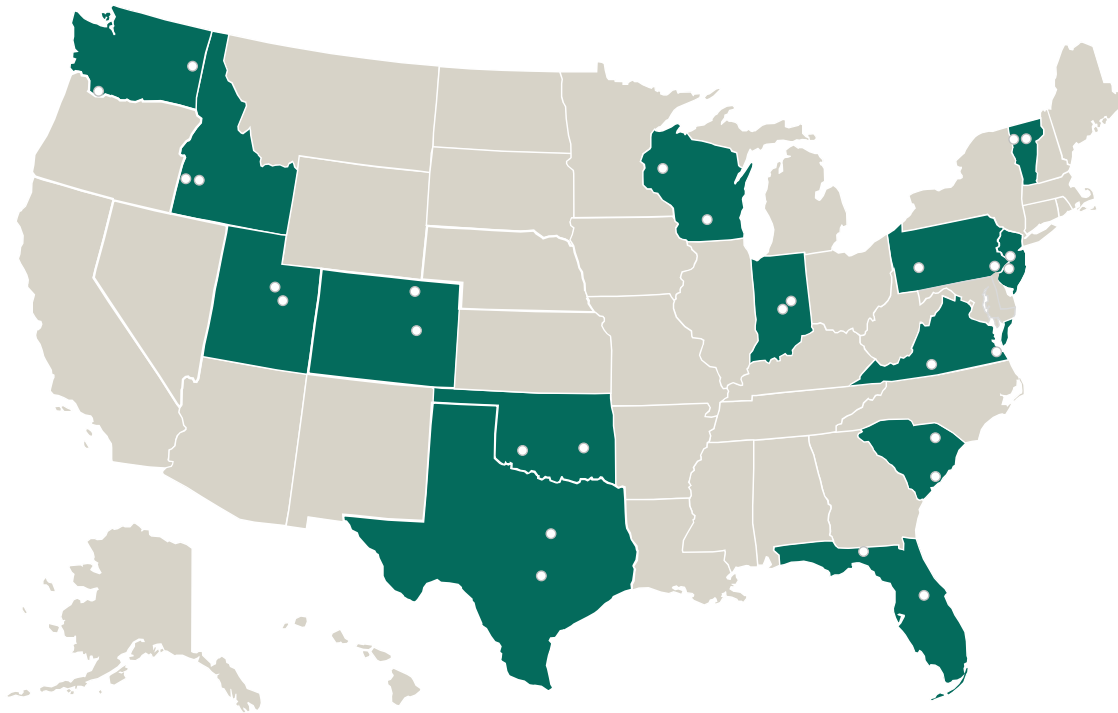
- U.S. Department of Labor: Job Corps, YouthBuild, Indian and Native American programs, National Farmworker Jobs Program, Migrant and Seasonal Farmworker Programs, Senior Community Service Employment Program, Trade Adjustment Assistance, Unemployment Compensation programs, Jobs for Veterans State Grants, and Reentry Employment Opportunities
- U.S. Department of Education: Carl D. Perkins Career and Technical Education Act programs
- U.S. Department of Housing and Urban Development: Employment and Training programs
- U.S. Department of Health and Human Services: Community Services Block Grant employment and training programs and Temporary Assistance for Needy Families (TANF)

All locations were purposefully selected to assure diversity geographically and in size, among other criteria. Exhibit I.2 identifies the states and local areas visited; Exhibit I.3⁴ identifies types of site visit

⁴ Three of the 14 states were single-workforce area states, and the team visited two AJCs in each of those states. The report includes these AJCs when it refers to “local areas”. The study team also conducted four site visits in late 2017 to capture WIOA implementation at an earlier stage. Technical information about the site visits can be found in the technical appendix.

respondents. More information about the site visits, site visit respondents, and other components of the WIOA Implementation Study is provided in the technical appendix. The findings here, based on those interviews, should therefore be viewed as suggestive of common experiences and not assumed to be nationally representative. The study overall also used information from other sources, including state plans and program data, to provide additional context for insights from site visit interviews.

Exhibit I.2. States and local areas visited in 2019



Note: See Appendix A.1 for a list of states and local sites included in the study. The list, along with more detailed information on the site visits, is included in the Technical Appendix for this evaluation.

Exhibit I.3. Types of site visit respondents at the state and local levels

Types of state-level respondents	Types of local-level respondents
State workforce board chair	Local workforce board chair
State workforce board staff	Local workforce board staff
State workforce agency director	AJC manager
State WIOA policy staff	AJC operator
Title I adult and dislocated worker program and performance staff	Title I adult and dislocated worker program manager
Title I youth program staff	Title I adult and dislocated worker frontline staff
Title III Employment Services program staff	Title I youth provider or program manager
Unemployment Insurance administrator	Title III Employment Services program manager
Title II Adult Education and Family Literacy Act administrator	Title III Employment Services frontline staff
Community college, career technical education, or K–12 partner staff	Title II Adult Education and Family Literacy Act program manager
Title IV vocational rehabilitation administrator (including services for the blind if separate)	Community college, career technical education, or K–12 partner manager
TANF staff	Title IV vocational rehabilitation program manager
	TANF area manager
	Other partner manager (YouthBuild, Senior Community Service Employment Program, National Farmworker Jobs Program, etc.), if applicable

B. Changes in requirements for the AJC system under WIOA

WIOA included several new provisions to improve management and financial procedures in local AJCs.⁵ Overall, these changes sought to meet multiple goals, such as improving efficiency and effectiveness, assuring the implementation of key Federal cost principles, enhancing the ability of boards to promote more integrated service delivery, and certifying that key standards regarding access to and the quality of local AJC services are met. This report focuses on the following key areas of change:

1. Requirements to have a separate one-stop operator and competitive procurement

Under both WIA and WIOA, one-stop operators may be single-entities or consortia of three or more required one-stop partner organizations. Single entities may be postsecondary educational institutions; government agencies, including ES agencies; private for-profit entities; private nonprofit organizations, including community-based organizations; local boards; or other interested organizations or entities. WIOA further clarifies that workforce intermediaries, local chambers of commerce or other business organizations, and labor organizations can serve as one-stop operators.

Under WIOA, one-stop operators are required to be selected through a competitive process, whereas WIA only encouraged the competitive selection of operators. As detailed in TEGL 15-16 local boards must reissue a competitive operator selection process at least every four years under WIOA. Competition is

⁵ Under WIOA, DOL, in coordination with U.S. Department of Education (ED), established “American Job Center” as the common name and branding for online and in-person workforce development services funded by public programs. Prior to this branding, the American Job Center network was commonly referred to as the one-stop delivery system. (TEGL 16-16).

intended to promote the efficiency and effectiveness of one-stop operators by providing a mechanism for local boards to regularly examine performance and costs against original expectations. However, as noted in the final rule and subsequent guidance (TEGL 16-16),⁶ if local boards apply and are selected through a competitive process to serve in the role of operators, they must establish firewalls to clearly separate the functions of board staff who monitor operators' performance metrics and those who perform operator functions.

Under the direction of local boards, operators are required to coordinate the delivery of partner program services at their AJCs, ensuring that AJCs can provide customers with career services, training services, and other employment related services provided by required partner programs. Boards may also specify that operators take on the role of (1) coordinating services across multiple AJCs or entire workforce areas (2) functioning as direct service providers, and (3) managing the day-to-day operations of their AJCs.

2. Establishment of infrastructure funding agreements (IFAs) and memoranda of understanding (MOUs) with one-stop partners

To support the operations of AJCs, both WIA and WIOA require local areas to engage partner programs in resource sharing agreements, called Infrastructure Funding Agreements (IFAs) under WIOA. IFAs work to further codify partner investment in the workforce system to promote and strengthen collaboration across programs that supports a seamless, customer-focused AJC system. Partner programs may also negotiate contributions beyond infrastructure contributions, such as additional costs and shared services, including shared career services. Under WIA, resource sharing agreements served as stand-alone documents, separate from memoranda of understanding (MOUs). However, with WIOA, the IFA must be incorporated into the MOU along with a one-stop operating budget (TEGL 17-16).

WIOA takes cost-sharing requirements a step further than WIA by specifying that each required partner and additional partners operating a program or activity in a local area must contribute to the AJC infrastructure costs in that area—based on proportionate use and relative benefit—to help maintain the AJC system. In contrast, although AJC partners were expected to share resources under WIA, local boards exercised discretion in selecting and applying the cost allocation methodology (or methodologies) and resource sharing as defined under WIA often did not occur. Under WIA, the Adult and Dislocated Worker programs as well as the Wagner-Peyser program typically bore most of the costs associated with operating AJCs, despite co-location with other programs (English and Osborn, 2018). Given the dynamic under WIA, local boards and partners overwhelmingly viewed the need to fill resource sharing obligations in relation to whether the partner had an on-site presence at the AJC. Therefore, in practice, sharing one-stop operating costs was commonly limited to a subset of partners co-located at the AJC.

WIOA, however, emphasizes that these resource sharing requirements apply to “virtual partners”—partners who do not have a physical presence in the AJC.

3. Certification of AJCs

WIOA formalized and strengthened AJC certification efforts, as compared with prior law. State boards are required to develop AJC certification criteria and processes to establish a minimum level of quality and consistency of services in AJCs across the state and to set common standards for providing seamless

⁶ Workforce Innovation and Opportunity Act; Joint Rule for Unified and Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions; Final Rule. See also “Advisory: Training and Employment Guidance Letter, WIOA No. 16-16.” January 18, 2017. Available at https://wdr.doleta.gov/directives/attach/TEGL/TEGL_16-16_Acc.pdf.

services to job seekers across multiple programs. Local WDBs must follow procedures and criteria established by the State board and certify its comprehensive and affiliate AJCs at least once every three years (TEGL 16-16).

C. Road map to the report

The remaining chapters in this report discuss the specific changes under WIOA and the challenges and promising practices that states and local areas reported in implementing the changes. Chapter II discusses WIOA's requirement to competitively select one-stop operators, Chapter III discusses WIOA's requirements for IFAs and MOUs with partners, and Chapter IV discusses AJC certification. Chapter V concludes with considerations for workforce system stakeholders as they look ahead to improving implementation of these key requirements under WIOA.

II. Competitively procuring one-stop operators

WIOA requires local boards to select operators for their AJCs through a competitive selection process that typically involves the issuance of a request for proposals (RFP) and identification of multiple bidders. Local boards were required to competitively select one-stop operators by July 1, 2017 and had to conduct a competitive process again at least every four years. This change was intended to ensure the efficiency and effectiveness of operators by regularly examining performance and costs.

WIOA's required one-stop operator competitions represent a major shift for the public workforce system. Prior to WIOA, most local areas across the country did not use a competitive process for selecting operators and many boards fulfilled the role of operator themselves. For example, among the 40 sites included in the Institutional Analysis of AJCs study, only nine operators had been selected through a competitive process and most centers were operated by local boards or state workforce agencies (Dunham and Kogan 2018).

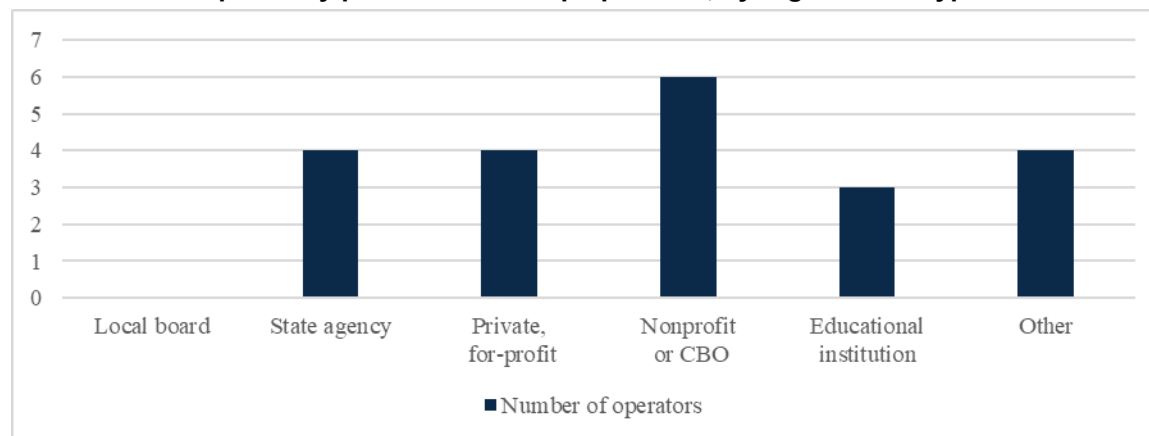
This chapter describes changes to how local boards operated AJCs, given WIOA's requirements for competitively procuring one-stop operators. It details the common challenges states and local boards faced and then describes how the boards operationalized WIOA's requirements for competitively procuring one-stop operators. The chapter also identifies potentially promising approaches that boards used to run their competitions.

A. Changes from WIA to WIOA

WIOA's mandate for the competitive selection of one-stop operators provided latitude to states and local areas to determine the role that operators would play in the AJC service delivery system. Federal guidance states that the role of the one-stop operator is to "coordinate the service delivery of participating one-stop partners and service providers" (Wu 2017). Across the 14 states and 28 local areas included in site visits, the role of the operator varied widely with some operators tasked with managing only facility-related operational issues while others played a strategic role in shaping the AJC's operations and service delivery approaches.

WIOA's requirements for competitively procuring one-stop operators resulted in changes at the local level for all local areas included in the study's site visits. Among the 28 local areas, 21 competitively procured one-stop operators of which 16 selected new entities to serve as operators through their procurements.⁷ Many local areas that competitively procured operators selected nonprofits or community-based organizations (CBOs). None competitively selected the local board for the one-stop operator role (Exhibit II.1). Other types of one-stop operators included independent consultants and intergovernmental organizations (for example, local councils of governments) not designated as 501c3s. In 11 of the 21 local areas that competitively selected operators, the one-stop operator also served as the WIOA Title I Adult and Dislocated Worker service provider.

⁷ One state grandfathered in its approach for operating AJCs that predates WIA. In this state, local board administrative entities serve as operators, but much of the centers' day-to-day operations fall to Title I Adult and Dislocated Worker service providers.

Exhibit II.1. Competitively procured one-stop operators, by organization type

Source: WIOA Implementation Study site visit responses, collected in 2019

B. Common one-stop operator competition challenges

When implementing WIOA’s requirements to competitively procure one-stop operators, state and local board respondents described new challenges related to funding, procuring, and integrating selected operators in AJCs. This section describes these early challenges and how they shaped state and local boards’ efforts to comply with the new requirements. Common challenges reported by states and local boards included the following:

- Conducting procurements that met the needs of, and circumstances confronting, local boards, while following Federal guidelines;
- Determining the appropriate amount of funding for operator contracts and identifying funding source for the contracts;
- Defining the one-stop operator role and delineating responsibilities between the operator, local board, and the Title I Adult and Dislocated Worker service provider; and
- Identifying and reaching potential bidders for the procurements to ensure that local boards received multiple bids, allowing for successful competitions.

The remainder of this chapter describes how states and local boards structured and conducted competitions to overcome these common challenges.

C. State policies for one-stop operator competitions

To operationalize federal requirements for one-stop operator competitions, state boards and state workforce agencies issued state-specific guidance and provided technical assistance to support local boards in conducting the competitions. State guidance tended to focus on the process of running the procurements, such as how to establish firewalls, and, in some states, also defined the role of the operator, and the types of organizations eligible to serve in that capacity.

Defining the role of the operator. Respondents often described defining the role of the one-stop operators as an important and challenging first step in the procurement process. Prior to WIOA, local boards often served in multiple roles. As respondents from one state described it, local boards were used to doing “everything at the local service level ... sometimes fiscal agent, operator and service provider.”

Given this dynamic, the competitions could potentially lead to major changes in the entities tasked with playing key roles in the local AJC system.

Federal guidance on the one-stop operator role was noted to be unclear by several state and local board respondents and, as described later in this chapter, and state workforce agencies included in the study varied in how they conceived of the one-stop operator role. For states that did not previously require separate operators, states and local boards had to define where operators fit into their workforce systems. The varying approaches used by states and local boards included the following:

- Some states opted to combine the one-stop operator role and the Title I Adult and Dislocated Worker service provider role so that a single entity or organization carried out both roles;
- Other states cautioned against or explicitly did not allow operators to also be the service provider. State workforce agency respondents in two states highlighted that separating the service provider and operators represented a major change for their workforce programs; and
- One state followed the suggestion in the federal guidance to also competitively procure Title I Adult and Dislocated Worker service providers. For local boards in this state, this additional procurement requirement created confusion during the RFP and selection processes.

When issuing guidance to local boards, a few states sought to more clearly define the role of one-stop operators within the context of the state workforce system. This kind of guidance was particularly important in states that did not competitively select operators prior to WIOA or that did not subcontract Title I Adult and Dislocated Worker services to providers. Examples of the different guidance offered include:

- One state provided extensive guidance and assistance to local areas regarding the possible roles of one-stop operators. The state allowed local boards to define the operator role, and based on their interpretation of state guidance, the local board defined that role as facilitating partner coordination rather than overseeing AJC operations.
- Another state in which consortia often served as operators established a common definition for the role of the one-stop operator that focused on ensuring the provision of seamless service delivery and providing functional supervision for the center. To that end, the state guidance included example models for achieving this vision for the one-stop operator. Although not explicitly stated in their guidance, this state cautioned against selecting one entity to serve as both the operator and Title I Adult and Dislocated Worker service provider. Another state workforce agency sought to reduce local areas' confusion over the role of the operator by providing technical assistance regarding different one-stop operator models that local boards could specify in their RFPs.
- A similar dynamic existed in another state in which consortia typically served as operators. This state provided guidance stating that the one-stop operator could not be a direct service provider, establishing a firewall between operations and service provision. However, this separation still appeared to create confusion for local boards regarding the operator role and the procurement process, as local boards assumed this guidance applied only to the Title I Adult and Dislocated Worker service provider and not all service providers.

To ensure local flexibility, some states opted against offering a specific definition for the operator role but issued guidance for structuring competitions and contracts should local boards choose to combine the Title I Adult Dislocated Worker provider and one-stop operator roles. One state required local boards to describe the firewalls that would be put in place to address these arrangements, as well as processes for monitoring both responsibilities.⁸ A handful of states disseminated the Federal guidance on the role of the one-stop operator to local boards rather than developing a state-specific vision for the operators.

Lessons from early visits

Massachusetts created an RFP template and developed technical assistance teams that supported local boards throughout the procurement process. State staff across partner agencies helped score RFPs and helped to facilitate firewalls to allow local boards, designated as nonprofits, and local government agencies to respond to the RFPs.

Supporting the procurement process. At a minimum, states in this study developed policies and provided guidance to local boards regarding basic requirements for the competitive procurement processes. As in the Federal guidance, state policies typically outlined which entities could serve as one-stop operators, the content to be included in the RFPs, firewall requirements, and in some cases, what was the role of the one-stop operator. In most states, guidance on the procurement process took the form of detailed policy issuances that referred to the federal guidance.

Two states developed tools to support local boards in developing, issuing, and scoring their RFPs to ensure successful competitions that complied with state and federal policies. Successful competitions received multiple bids in response to the RFPs, established appropriate firewalls, and resulted in the selection of one-stop operators. One state issued a checklist for local boards to use, in conjunction with formal policy guidance. The checklist specified required elements in the procurement process, identified who could compete and under what conditions (such as firewalls), and the roles of the operator compared to the local board.

To assist local boards in developing RFPs that complied with state and federal policies, one state reported that it provided local boards with an RFP template. To ensure that local boards' RFPs would meet federal requirements for successful competitions, some state boards reviewed RFPs developed by local boards before they were issued to ensure compliance with federal and state policies. These desk reviews were intended to proactively identify potential procurement issues to limit the likelihood of local boards having to reissue their RFPs.

Supporting local boards through technical assistance. To support the implementation of the competitive procurement process, some states provided technical assistance to local boards to ensure that they could run successful competitions. This was also described as a potentially promising practice during early visits in fall 2017 (see box). In addition to providing technical assistance to support the process, this state also provided technical assistance to support the work of newly selected operators that had not previously served in an operator capacity.

Gaps in state guidance. Despite efforts on the part of states to support local boards in running one-stop operator competitions, local board respondents highlighted the need for more detailed state and federal guidance. Local boards commonly reported needing more clarity regarding the roles envisioned for the one-stop operator. In one state, respondents from both local boards described the term "operator" under

⁸ Federal requirements specify that local boards must establish procurement firewalls if they opt to combine the operator and Title I Adult and Dislocated Worker provider roles. See 20 CFR 679.430.

WIOA as a misnomer, as most stakeholders in the state view operators as service providers. Similarly, local board respondents in another state did not fully understand the distinction between service providers and operators, which resulted in some confusion related to their RFPs and the roles of their selected providers.

D. Conducting one-stop operator competitions

To develop RFPs and run successful one-stop operator competitions, local boards (and, in some cases, state boards) followed a range of approaches based on the structure of their workforce systems and federal and state guidance. Most local boards assumed responsibility for developing RFPs and conducting their one-stop operator competitions. When developing RFPs, local boards considered state guidance regarding entities that could submit proposals, requirements for the operator roles, and firewalls guiding the process.

Through the initial one-stop operator competitions, state and local board respondents identified strategies to make their next procurements more successful and to increase the value that one-stop operators can bring to workforce service delivery. When reflecting on the RFP process, some local boards noted that they should have thought more about how to strategically use the one-stop operator to improve service delivery and should have more thoroughly considered the amount of funding allocated to the contract. Some states and local boards included in this study experienced success in their initial competitions, and their experiences highlight the potential strategic improvements that could be considered for the competitive selection of one-stop operators.

1. Local board experiences conducting one-stop operator competitions

Local boards from 10 of the 11 multi-workforce area states included in this study ran successful one-stop operator competitions. Most local boards developed, issued, and scored the RFPs themselves.

However, a few (3) local boards relied on other entities to support different parts of the procurement process, often as a way to establish firewalls so that they could submit bids in response to the RFPs. One local board tasked its county procurement staff with overseeing all facets of the competition, while another board relied on its council of local governments to administer the RFP process and then evaluate submissions using a scoring sheet. A local board in another state employed an independent consultant to develop, issue, and evaluate submitted bids. The consultant conducted an initial review of the bids and then met with a local board committee regarding next steps. The consultant and board committee then interviewed bidders.

Identifying potential bidders. Identifying and reaching potential bidders for the one-stop operator role proved challenging. Most local boards reported receiving two or three bids in response to their RFPs. For rural areas, identifying potential bidders and receiving multiple responses to RFPs proved particularly challenging. Recognizing the challenges its rural areas faced, one state reported working with some of its local boards to obtain waivers related to the one-stop operator competitions.

Selected operators. The one-stop operator competitions led to new operators in the study sites. Of the 21 state and local boards that competitively procured one-stop operators, 16 selected new entities, and many were nonprofits or CBOs. Local board directors from two states expressed concerns regarding national organizations serving as operators, as they would not know the local communities or have established relationships to advance partnerships. Some boards described limiting which entities could respond to the RFP based on the organizations' physical locations. Although local board directors reported that the RFPs

generated minimal interest, with most receiving just two or three responses, most local boards received enough responses for their procurements to comply with WIOA's competitive procurement mandate.

Funding for operators. Many local boards included in this study noted that prior to WIOA, they did not allocate funding to support a dedicated one-stop operator; this was described as creating challenges for identifying funding for competitive selection of operators under WIOA.

Respondents from a state in which consortia often operated AJCs reported that WIOA required them to "[take] money away from what we could spend on participants [to pay for] what was previously an activity, or function, that was done for free. The partners just did it."

Under WIA, many of the local boards in this study that served as the one-stop operator participated in a consortium of partners that operated AJCs. In these instances, costs were not allocated to the one-stop operator role and were instead absorbed into each partner's budget. By contrast, WIOA required a clear allocation of the costs associated with carrying out the one-stop operator role and responsibilities, but it did not provide additional funding to support these costs.

Respondents from two other states also highlighted that, under WIA, local boards participated in consortia that brought partners together and successfully operated AJCs without introducing additional costs. According to some respondents from these two states, WIOA's requirements for the competitive selection of one-stop operators and the resulting move away from consortia undid some of this existing collaboration and introduced new costs. Although WIOA allowed consortia to compete for the role, local board respondents described the challenges associated with responding as a consortia due to the firewalls that would need to be instituted and followed. VR respondents in one of these states noted that these changes reduced VR's voice in local areas, despite their involvement on local boards.

Funding for the one-stop operator role varied widely across local boards. Many respondents emphasized their belief that funding that should be allocated to services instead went to funding an additional layer of administration. These respondents noted that the value of one-stop operator contracts varies widely from state to state, and in some states it varies widely across local areas. For instance, in one state, operator contracts ranged from \$5,000 to \$250,000 annually. State respondents reported that this difference in contract size stemmed from how the local boards defined the one-stop operator role rather than variation in service area size. Another state required that all RFPs had to allocate at least \$3,500 annually to the operator role. Local and state boards described significant challenges finding funding to support the role and then defining the appropriate amount of funding. State and local boards described a tension in minimizing funding allocated to what they perceived as wholly administrative costs, such as the one-stop operator, and maximizing funding for services. As described later in this chapter, some state and local boards found opportunities for the selected one-stop operator to provide value by improving service delivery and/or management.

Operator roles. The one-stop operator competitions often redefined the role of the operators. In 11 of the 21 local boards that competitively selected operators, the one-stop operator also served as the WIOA Title I Adult and Dislocated Worker service provider. Further, in 8 of these 11 the operator also employed the AJC manager. Local boards from one state believed that this structure best served their needs, despite the procurement related challenge, as it allowed the boards to expand their service delivery and operations capacity by using providers with deep understanding of WIOA's provisions and implementation. Both boards selected national organizations to serve as their joint operators and service delivery providers.

The remaining 10 local boards separated the one-stop operator role from service delivery, with the operator focusing on partner coordination, facilitating MOUs, and ensuring the physical operations of the AJC. Many local board respondents described this model as complying with the federal mandate. However, some local board respondents struggled with this delineation of responsibilities, with one local board director indicating that responsibilities such as MOU and IFA negotiations should remain under the purview of the local board.

2. Conducting competitions in single-workforce area states

Competitive procurement requirements also applied to the three single-workforce area states included in the study. Under WIOA, the state board fulfilled the role of the local board in running one-stop operator competitions; it could hire an outside entity to run the competitions or allocate the responsibility to another state entity. As with local boards, running competitions proved challenging for state boards that needed to establish firewalls with state workforce agencies that currently operated the AJCs and wanted to continue to do so under WIOA. Of the three single-workforce area states:

- One state board ran a successful competition that received two bids in response to the RFP and awarded the operator role to the state workforce agency.
- One state tasked the state procurement staff with running its competition. They received approval from the governor's office to issue a sole source solicitation that awarded the contract to the state workforce agency.
- The third state received notification from DOL that it did not run a successful competition because appropriate firewalls were not established between the state board and the state workforce agency that was operating and continued to operate the state's AJCs. As of the site visit, the state had not run a new competition but was planning to do so in the coming months.

3. Perceived changes resulting from one-stop operator competitions

For many local boards, WIOA's vision for operators represented a shift in culture and operations. As described previously, many local boards relied on consortia to operate AJCs under WIA. Among the AJCs included in the site visits, only three consortia were competitively selected to serve as one-stop operators. This shift from consortia to single entities resulted in changes to the role of the one-stop operator and the nature of partner collaboration. Local board respondents from four states emphasized the ramifications of this change on their service delivery approaches:

- Operators funded by Title I.** Local boards in one state described how, under WIA, a consortium of partners operated AJCs and absorbed those costs into their program-specific budgets. Under WIOA, local boards had to establish a firewall between the operator and the Title I Adult and Dislocated Worker service provider. This distinction, coupled with the move to a single entity serving as operator, shifted relationships within AJCs. In addition, because funding for the operator came exclusively from the Title I budget instead of being absorbed by all the consortia partners, the operator was viewed as an extension of Title I.
- Promoting learning and information sharing**

Both local boards in Florida selected consultants who served as operators for multiple boards in the state. Because these operators work in multiple areas, they can share information about best practices. This structure resulted in increased learning and information sharing on key WIOA priorities, such as tracking customer satisfaction and improving referral processes and tracking.
- Changing partner relationships.** Board and partner respondents in two states stressed that the shift from consortia to single entity operators altered their partner relationships. In the first state, which had many rural areas, the approach to operations under WIA worked well according to local board and partner program staff. These respondents reported that the transition to the competitive selection of operators seemed like an unnecessary step that impeded existing partner relationships. Further, some organizations that became one-stop operators lacked experience in that capacity; this created new challenges for coordinating and delivering integrated services. In the second state, some core partners felt that their voice had been diminished by no longer participating in an operator consortium, despite their board seats.
 - Shifting local board responsibilities.** Another state expressed concerns that the competitions forced local boards to bid out a service that their partners perceived as being free. One local board in this state served as the fiscal agent, operator, and service provider under WIA. Under WIOA, the board retained its fiscal authority but selected a new nonprofit entity to serve as the operator and WIOA Title I service provider. Board respondents described some advantages to this change, especially the nonprofit's efforts to obtain additional contracts that allowed them to braid funding to benefit customers. However, they also pointed to the additional administrative burden associated with this change and expressed concern regarding the sustainability of funding to support the new role.

Changes to the entity serving as the one-stop operator also affected service delivery at the local level, according to some local board respondents. While some local boards selected national organizations well versed in the operator role, other boards selected individual consultants or small nonprofit entities with less operator experience. National organizations required additional time to assess the local communities and existing partner relationships. Local operator entities needed time to better understand their role and how they fit into the workforce system. In addition to getting up to speed on their roles, staff from newly selected operators also needed to get buy-in for their role from partners. State board respondents in one state indicated that the operators needed to work with partners to help them “view that person [the operator] as someone who's representative of all partners in the system as a whole.”

Given the time needed for new operators to transition into their roles, local board directors from 16 local areas expressed some concerns regarding operator turnover, stemming from competitive procurements. To address this concern, local board directors described several potential changes to subsequent procurements that would limit potential disruptions to AJC service delivery and operations:

- **Defining the operator role.** Respondents at all levels perceived that defining the operator role was one of the most challenging aspects of the competitive procurement process. Moving forward, local boards described efforts to define the role so that it did not add a layer of bureaucracy in their systems. State board staff in one state viewed the wide variation in the size of operator contracts in the state as a signal that more clarification at the state and federal levels would allow local boards to better define and fund the operator role.
- **Changing contract lengths.** One local board initially planned to conduct the procurement every two years but realized that this would result in near constant work facilitating the procurement process. Recognizing this challenge, the board planned to lengthen the contracts to minimize potential service disruptions and administrative burden.
- **Adjusting funding.** Following the initial competitions, state and local board respondents from one state recognized that allocated funding often did not align with the role that operators played in their systems. In one state, operator contracts averaged \$200,000 annually, but state and local board respondents viewed this as too high based on the distribution of work across boards, operators, and partners. The state planned to issue guidance that more clearly articulated the operator function and specified funding expectations. In other areas, funding for the role is very low, which respondents viewed as making it difficult to receive enough bids.

Increased capacity to improve partner coordination and integration

Local board respondents from one board in Washington state viewed the operator competition and role as the “best thing they have ever done.” This board selected an individual consultant to serve as the operator, and that individual has been able to move the board’s strategic plans forward while also ensuring that the AJC operates smoothly. Local board staff highlighted that previously “everyone was in charge, so no one was in charge.” Under this model, the operator serves as the AJC manager and supervises everything that occurs within the AJC, ranging from making sure the building is open and running to facilitating partner coordination through oversight of functional teams.

III. Promoting partner involvement through MOUs and cost sharing

In a shift from WIA, WIOA explicitly mandates that local boards negotiate and enter into IFAs with all required partners to share AJC infrastructure costs. IFAs must then be integrated into MOUs with those partners. All required partners must contribute to IFAs, regardless of co-location in AJCs.

While under WIA, local boards were expected to engage in resource sharing with partner programs, in practice, this resource sharing varied widely and often did not result in cash contributions to support AJC operations (English and Osborn 2018). Under WIOA, these agreements needed to be in place by January 1, 2018. If local boards and partners failed to reach consensus and establish IFAs, then a state funding mechanism (SFM) would be triggered. Under the SFM, partner contributions revert to a minimum value, limiting funding available to support AJC operations.

This chapter describes changes that state and local areas made to implement WIOA's requirements for MOUs and cost sharing with partners, and highlights some potentially promising practices. It identifies the challenges states and local boards reported in initiating MOUs and IFAs and the strategies states and local boards adopted to negotiate and establish MOUs and IFAs with partners. The chapter concludes by describing the extent to which MOUs and IFAs appeared to be influenced partner involvement in the AJC system.

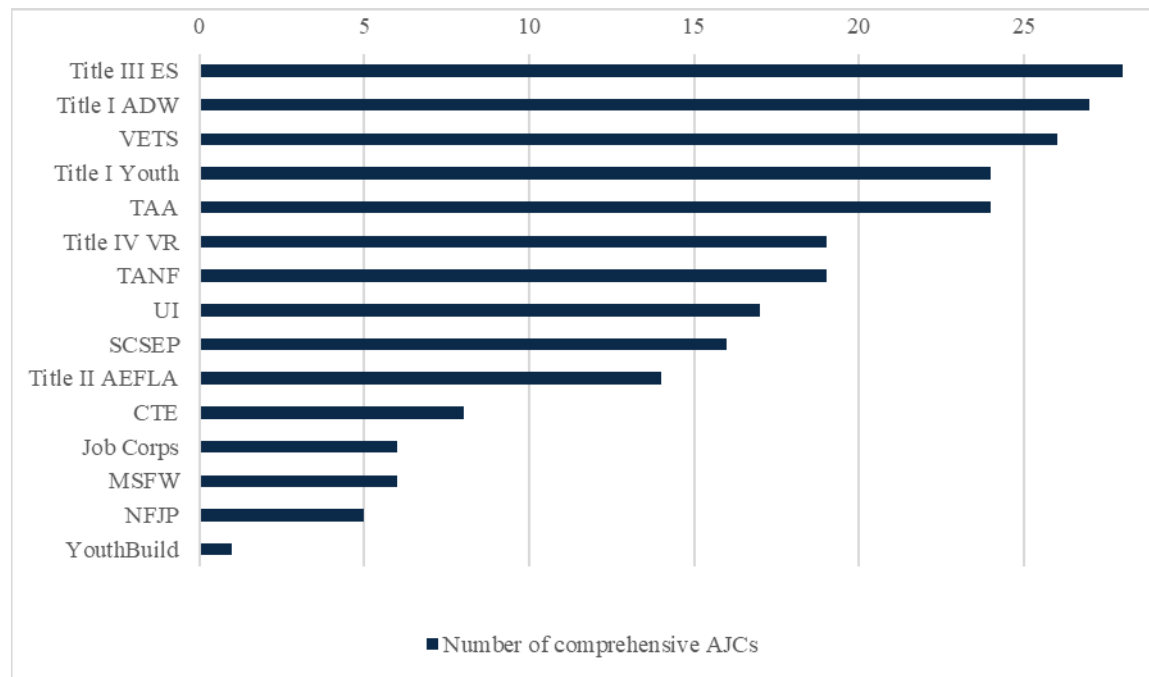
A. Transitioning to cost sharing under WIOA

Cost sharing under WIOA, codified through MOUs and IFAs, increased the number of partners making financial contributions to AJCs among study sites, and in some instances led to new challenges for cultivating partnerships in support of streamlined AJC operations. The new requirements under WIOA typically led the states and local boards in this study to shift how they negotiated and formalized cost sharing with partners to support involvement and investment in AJC operations.

Approaches to negotiating and establishing IFAs and MOUs varied based on prior histories of collaboration, co-location, and cost sharing with core and required partners. The structure of states' workforce systems, including factors such as the agencies tasked with administering core programs and the number of local areas in the state, also appeared to play an important role in determining how states approached the IFA and MOU processes.

Although some local boards expressed concerns regarding the extent to which IFAs could limit partner co-location, this did not appear to change in meaningful ways in response to WIOA's MOU and IFA requirements. Few partners across the 14 states included in the site visits stopped co-locating in comprehensive AJCs due to IFA requirements. Only a few state and local area partners entered the AJCs as part of newly established MOUs and IFAs. At the time of the site visits, Titles I and III most commonly co-located in comprehensive AJCs.⁹ Despite WIOA's cost-sharing requirements, Titles II and IV co-located less frequently than a number of other programs (Exhibit III.1).

⁹ Under WIOA, Title I staff must be co-located in an AJC for it to be considered a comprehensive center.

Exhibit III.1. Partner co-location at comprehensive AJCs

Source: Site visit data, collected in winter/spring 2019 from 28 comprehensive AJCs

For 10 states, WIOA's cost-sharing requirements, formalized through the MOU and IFA processes, required states to consider how to integrate these requirements into their systems while also working to maintain existing partnerships and cultivate new ones. As described in the remainder of this chapter, these changes required states and local boards to establish new processes and create new administrative responsibilities. In these states, resource sharing in some form, such as informal co-location arrangements, typically occurred under WIA, but WIOA's mandate to formalize these arrangements and to then connect them with financial costs represented a major change.¹⁰ At the time of the site visits, several state and local boards were continuing to wrestle with how to best structure the process and agreements to meet the spirit of the law—securing shared investment in the AJC system—with the financial and logistical realities facing their partners.

Four states engaged in extensive resource sharing under WIA due to their highly integrated workforce systems, so their approaches for IFAs and MOUs centered on promoting and reinforcing existing collaboration. Under WIA, these states shared resources through in-kind contributions; under WIOA, each state restructured their arrangements to collect financial contributions.

State respondents across partner programs reported varying degrees of success maintaining collaboration while seeking financial contributions from existing partners.

- One state engaged in extensive resource sharing, including financial contributions, under WIA. Respondents from this state viewed WIOA's requirements as a natural extension of the priorities initially set forth under WIA. For co-located partner programs in this state, the IFA and MOU processes strengthened relationships among partners because they provided a transparent avenue to negotiate contributions and a clear process to adjust contributions based on changing circumstances

¹⁰ Under WIA, local boards were required to establish resource-sharing agreements with their partners. However, the extent to which local boards had these agreements in place under WIA varied (English and Osborn 2018).

and budgets. State board and Title I Adult and Dislocated Worker staff from this state appreciated that cost sharing under WIOA “had some teeth to it.”

- Respondents from two states suggested that WIOA’s cost-sharing mandate worked against partner collaboration and resource-sharing arrangements that existed under WIA. In one of these states, partners jointly identified a location to house an AJC. Each partner directly paid for the space it occupied rather than contributing to a lease held by the local board. WIOA’s IFA requirements disrupted this existing arrangement, even though it had facilitated collaboration among partners. Efforts to retain this level of collaboration at the local level while also meeting WIOA’s mandate introduced new tensions among core and required partners. Respondents from the other state reported similar challenges maintaining strong relationships among partners because the IFA negotiation process required changes to existing cost-sharing arrangements.
- In another state, respondents across partners stressed the high level of collaboration that existed in their AJC system statewide but noted that asking co-located partners, who had not contributed under WIA, to begin providing financial contributions tested those relationships. In most local areas, partners remained co-located, but respondents emphasized that the policy ran counter to the existing culture in the state’s workforce system.

B. Common challenges faced in negotiating MOUs and IFAs

When developing policies for MOUs and IFAs and initiating negotiations with partners, respondents highlighted common challenges they faced and how those shaped the way they approached the agreements. Both state and local respondents described challenges related to receiving timely and sufficient guidance regarding the process and requirements for IFAs and MOUs. Respondents from partner programs further cited confusion regarding their obligations to contribute to IFAs as a challenge.

Once local boards began negotiating IFAs and MOUs with partner programs, they found that partner programs faced budget constraints that limited their ability to make meaningful contributions as part of the IFA. Local boards and their partners generally described IFA negotiations through the lens of co-location within comprehensive AJCs. Partners’ co-location status within AJCs complicated the IFA negotiation process since the IFA process often required them to begin making financial contributions to AJC operations. This resulted in some partners considering potentially leaving AJCs due to the new financial obligations though few partners across the study sites had left the AJCs at the time of the site visits. For core and required partners that were not co-located, respondents identified factors such as limited funding and long-term leases for partner-specific office locations as preventing co-location, and thus presenting challenges for negotiating and determining IFA contributions.

Receiving timely and helpful guidance. At the state-level, respondents pointed to delays in receiving federal guidance on the IFA and MOU processes as creating challenges for developing and disseminating state-specific guidance. State respondents appreciated that the federal guidance ultimately provided tools that could be passed on to local boards to facilitate creating and negotiating IFAs. However, they pointed to an initial lack of clarity and consensus among partner programs regarding the legislation’s IFA requirements as impediments to developing guidance for local boards.

Partner resource constraints. Local respondents across all 14 states highlighted resource constraints as impediments to determining contributions to and establishing IFAs. Resource constraints influenced IFAs in two key ways: (1) by limiting financial resources to make contributions to IFAs and (2) by preventing co-location in AJCs. Partners often lacked funding in their budgets to make contributions aligned with the

benefit they received from participating in the AJC system. In some cases, partners made contributions that were largely symbolic. In other cases, partners often wanted to co-locate instead of retaining existing office space, but AJCs lacked space to support additional co-location.

Determining contributions for partners that are not co-located. For partners not co-located within AJCs, determining IFA contributions that reflected the benefit the partner received from the system proved challenging. First, as site visits highlighted, partners that were not co-located did not see a clear connection for why they should be contributing to the financial costs associated with operating AJCs. In some instances, these partners operated stand-alone offices that respondents

believe best served their participants' needs. Others held long-term leases on office spaces, which prevented co-location at the AJC from occurring. Second, respondents described determining what constituted a fair contribution for these partners as creating challenges for state and local boards that could not apply cost allocation methodologies, such as square footage occupied or full-time equivalents (FTEs) in the AJC, to calculate partners' proposed financial contributions. For many states, data systems did not provide the functionality or information, such as co-enrollment data, necessary to determine the proportionate benefit the AJC provides to program participants. A VR respondent from one state described their approach for determining relative benefit: the VR agency examined zip codes for their participants and mapped them to local workforce areas as a best guess at determining relative benefit received for their participants accessing AJCs. One local board developed a customer tracking system that asked customers to indicate their reasons for visiting the AJC. This information was then used to determine the relative benefit of participating in the system for off-site partners.

Increased administrative burden. State and local level respondents described the increased administrative time needed to negotiate, execute, and manage MOUs and IFAs. At the local level, local board directors often cited the extensive resources needed to negotiate small financial contributions. Recognizing that the level of effort needed to administer contributions often exceeded the value of contributions, some state workforce agencies did not require local boards to collect contributions that fell under certain dollar amount thresholds. A director in another state noted that the board's and a partner program's attorneys "spent a lot of time arguing over \$500," despite the federal guidance directive to balance burden versus benefit when carrying out cost sharing. State board staff from one state also found the process time consuming and frustrating.

For partner programs administered and operated at the state level, the MOU and IFA processes created additional burden on state staff. Rather than negotiating and administering a single state-level contract, WIOA required these programs to manage contracts with each workforce area, which sometimes did not align with their program's service regions. One Temporary Assistance for

Using data to determine contributions

To determine financial contributions for partners that were not co-located, two states relied on their data systems to determine customers' reasons for visiting AJCs. States then used that information to determine partner IFA contributions, based on the amount of AJC customer traffic generated by the program.

"[We] spend \$100 to negotiate the contribution, another \$1,000 to administer it, and then only receive \$100."

—Local board director

"The first year, I would say ... what have I signed up for? This is crazy. I thought I was going to have to hire a fleet of staff to handle this. [However,] it has gotten significantly easier. Our finance staff have gotten adjusted to what they're supposed to look like and our proportionate share, and all of that."

—State TANF program staff member

Needy Families (TANF) representative and one local board director noted that in addition to having to manage multiple agreements, each agreement also had to go through multiple levels of legal review, making it more difficult to meet aggressive state and federal timelines for these agreements.

C. State efforts to support MOU and IFA development

Recognizing the challenges local boards would face in creating, negotiating, and finalizing IFAs and MOUs, state workforce agencies and boards provided different forms of guidance and technical assistance to local boards. The nature and intensity of guidance varied across states, with some providing written guidance only and others holding negotiations among core partners at the state-level to ease the burden for negotiating agreements at the local level. Local board respondents highlighted the extent to which state guidance met their needs and identified types of guidance or technical assistance that would have further facilitated productive negotiations at the local level.

States struggled with providing local boards with timely and helpful guidance to support the development of strategic MOUs and IFAs that could facilitate partner collaboration. One state board and workforce agency stressed the need for better federal interagency guidance on the MOU and IFA processes. State respondents generally felt like they needed more federal guidance in order to issue more tailored guidance and tools to their local boards. All 11 of the multi-workforce area states in this study described some challenges with sufficiently addressing the needs of local boards through written guidance or technical assistance. At least three states pointed to delays in receiving federal guidance on these topics as a challenge for developing state-specific guidance. Many states also noted that the lack of clarity among core and required partners regarding MOU and IFA requirements created challenges for developing guidance that addressed requirements for all partner types.

States also highlighted differences in operational structures among core and required partners as impediments to developing guidance for their local boards. In these instances, local service regions did not align across partners, which respondents described as an impediment to developing guidance that accounted for these differences. States also pointed to differences in practices for developing budgets and tracking expenditures across partners as a challenge. Respondents from one state noted that partners use different methods for identifying costs expenses, such as different cost categories, and they struggled to reconcile these differences when providing support to local boards.

One state hired a consultant to facilitate its pilot process. Through their pilot process, this state also considered how the role of the one-stop operator fit into negotiations with partner programs. Partners worked with the local board to define the role of the one-stop operators and then collectively decided how to allocate operator costs. Local board respondents and partner program respondents from this state appreciated the planning that went into developing the state's approach for IFAs and MOUs. Ultimately, the development of IFAs and MOUs in this state led to increases in both AJC co-location and financial contributions among partner programs, and in particular TANF and Title IV VR partners.

Single-workforce area states approached the IFA and MOU processes differently than multi-workforce area states because negotiations among partners included in the agreements could typically occur at the state administrator level. Although single-workforce area states still needed to establish IFAs and MOUs to codify partner involvement and investment in the AJCs, the negotiation process could be simplified. However, single-workforce area states encountered many similar challenges in the negotiation process, including determining and

collecting contributions from partners that were not co-located and maintaining strong relationships with partners unaccustomed to making financial contributions to support the AJC system.

Piloting the process. To ensure that state guidance regarding negotiating MOUs and IFAs aligned with the needs of local boards and provided enough details, two states first piloted the process with one local board. Respondents from both states viewed the pilots as an opportunity to work out all facets of their processes before rolling out their MOU and IFA policies statewide. Through the piloting process, both states developed written guidance and templates for the other local boards in the states to use. In addition to allowing the state to refine its guidance and bring more partners into the AJC system, piloting the process also helped state respondents identify some challenges. For

Another state piloted a range of WIOA policies in one local area, and respondents described the cost-sharing and MOU-related efforts as the most challenging component to moving forward. Because a high level of collaboration among partners existed in the state, introducing financial requirements created new tensions in existing partner relationships. In this state, the pilot process did not lead to increased co-location, but it did provide a venue for communicating WIOA's resource-sharing requirements to partners. In this state's case, the pilot process created a common understanding that helped to limit strain placed on existing relationships and collaboration.

instance, state respondents recognized the challenges their rural areas would face in pursuing partner contributions and recognized that smaller programs, such as the Senior Community Service Employment Program (SCSEP), might move out of the AJC system due to newly required financial contributions.

Written guidance and state-provided templates. In addition to the two states that piloted the process, three states provided extensive written guidance beyond the federal guidance to support local negotiations in their states. One of these states engaged in extensive negotiations at the state level to determine contributions for state-operated programs and then provided local boards with additional guidance, focused on cost allocation methodologies, to support further local-level negotiations with required and nonrequired partners. In the second state, the state provided templates and guidance focused on retaining cost-sharing arrangements already in place among local boards and partner programs across the state.

The third state developed “extremely detailed” written guidance that provided specifics on using the state’s MIS to determine partners’ contributions as well as how to operationalize other cost allocation methodologies. Because the state’s management information system provided data needed to determine the extent to which different partners drive traffic to the AJCs, local boards could determine the extent to which partners benefitted from the system to determine their contributions. In some instances, the resulting cost to partners would be so minimal that the state provided additional guidance regarding requirements for situations in which partners’ contributions would exceed the cost of administering financial contributions. In these instances, partner contributions were not collected.

State strategies to facilitate local collaboration. To support collaboration among partners at the local level and to simplify the process for negotiating IFAs and MOUs, some states fostered collaboration among state-level partners to limit the scope of local-level negotiations. In these cases, partners negotiated factors such as cost allocation methodologies at the state level, and local boards only had to apply the agreed upon approach. One state workforce agency developed a statewide umbrella MOU with state-operated programs, including Title III ES, Title IV VR, Trade Adjustment Assistance, Jobs for Veterans’ Service Grant, Unemployment Insurance, and TANF. The umbrella MOU brought together the state-operated programs in support of coordinating service delivery in the AJC system.

Three multi-workforce area states facilitated negotiations with state-operated programs to alleviate the burden placed on local boards and to address differences in local-level service regions. Local board respondents indicated that state involvement in the process both helped and hindered their efforts to negotiate financial contributions. In one of these states, partners first successfully negotiated and determined contributions that partners found fair. The state then engaged in negotiations that resulted in partner contributions that were smaller than those agreed to at the local level.

In the three single-workforce area states, all negotiations occurred at the state level. Respondents from these states still encountered challenges in developing and finalizing agreements, but they described the process as more streamlined and efficient. One state worked to make the process “as painless as possible” for their core and required partners. This state successfully negotiated contributions from all core and required partners by working to make financial contributions as small as possible. While this approach allowed them to successfully negotiate with their partners and to preserve strong working relationships, partner contributions tended to be more symbolic rather than serving as meaningful financial contributions.

D. Local board processes for developing MOUs and IFAs

When initiating MOUs and IFAs, local boards sought to negotiate and structure agreements so that they met WIOA’s mandate while also protecting existing partnerships and working to cultivate new partnerships. This section describes the processes local boards followed to develop these agreements with core, required, and nonrequired partners.

1. Process for negotiating with partners

As envisioned under WIOA, most local boards included in this study led local-level negotiations with their core and required partners. In a few states, state workforce agencies helped to facilitate local negotiations by conducting preliminary negotiations with core partners on behalf of local boards. In these instances, state workforce agencies negotiated appropriate points of contact with whom local boards could coordinate with for the purposes of establishing MOUs and IFAs. These efforts helped to streamline the process at the local level by setting expectations for the process among core partners.

Local boards in three states hired consultants to facilitate the establishment of MOUs and IFAs. In one state, five local boards, including one local board included in the site visits, hired the same consultant to support the MOU and IFA processes. While the consultant successfully established MOUs and IFAs for each local board and brought additional partners into the agreements, the nature of the agreements varied from board to board. This created tensions within the state as core and required partners made different levels of financial investments.

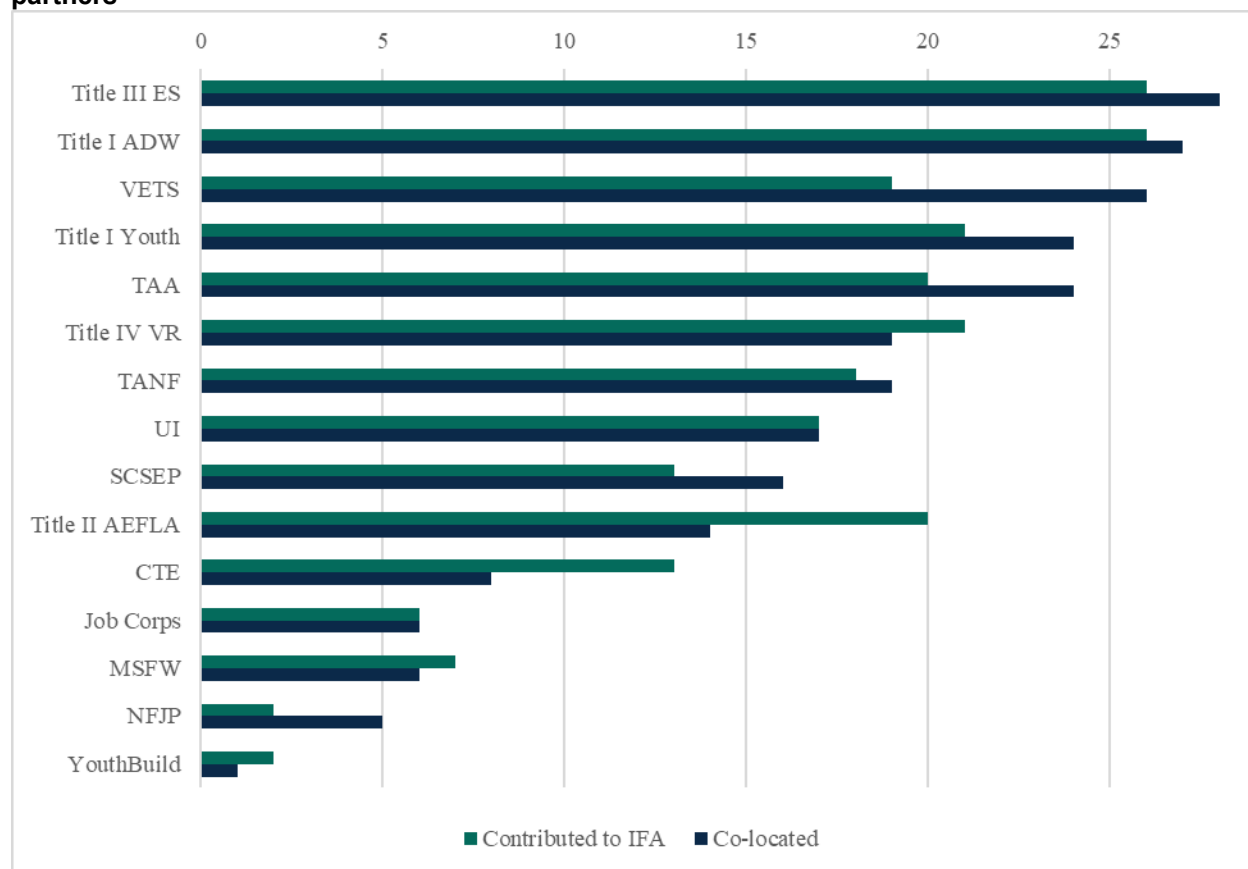
2. Contributions and cost allocation methodologies

With the exception of the local boards in one state, all other state and local boards successfully negotiated and collected cash contributions from at least one of their partner programs, most often those that were co-located. However, the methods for determining contributions and partner perspectives on those contributions varied based on co-location status. Co-located partners tended to be those that received funding from DOL and were also administered by the state workforce agency, simplifying the process for collecting contributions. Co-location, and by extension contributions, varied among Title II Adult Education and Family Literacy Act (AEFLA), Title IV VR, and TANF programs. As described in this section, when these partners established some form of co-location, such as having a staff person spend

one day per week in the AJC, they typically also made cash contributions to AJCs, based on their physical presence. When they, and other partners, did not co-locate, determining appropriate contributions based on the benefit derived by the system, as detailed in the federal guidance, proved challenging according to respondents.

Despite lack of contributions from all core partners, none of the local boards included in the study relied on the state funding mechanism. Among partner programs, Title I Adult and Dislocated Worker and Title III ES most commonly contributed to IFAs. For most partner programs, co-location occurred more frequently than did contributions to IFAs. Title II AEFLA and Title IV VR partners, however, contributed to IFAs more frequently than they co-located within AJCs (Exhibit III.2). All local boards included in the study achieved consensus at the local level and therefore did not rely on the state funding mechanism to obtain financial contributions from core and required partners.

Exhibit III.2. Partners making cash contributions to comprehensive AJCs compared to co-located partners



Source: Site visit data, collected in winter/spring 2019.

Co-located partner contributions. Most local boards used square footage occupied or FTEs present in the AJC as the basis for calculating partner contributions. Fifteen of the 28 local areas/offices visited primarily used square footage to determine partner contributions and 9 used FTEs present at the AJC. Often, local and state boards used one primary methodology, such as square footage occupied, to determine contributions for co-located partners. However, some boards used partner-specific approaches for determining contributions.

Off-site partner contributions. Among core partner programs, Titles II and IV co-located less frequently than their Titles I and III counterparts, requiring states and local boards to develop strategies for collecting contributions without relying on the state funding mechanism. This dynamic was similar to that under WIA. Titles II and IV partner respondents primarily pointed to office space constraints and limited funding as impediments to co-locating in AJCs, despite making financial contributions.

Space constraints. In four states, states VR and AEFLA respondents noted that space constraints or concerns in all or some of the AJCs in the states made co-location difficult. One AJC included in the site visits could not provide private office spaces that would allow VR staff to maintain HIPAA compliance. In other local areas in the state, VR held long-term leased spaces adjacent to AJCs, preventing formal co-location from occurring. However, the state VR agency designated a lead staff person that coordinated negotiations with local boards across the state to determine contributions, regardless of VR's co-location status.

At the time of the visits, one state was in the process of integrating VR services in AJCs across the state. The state workforce agency planned a phased approach to allow VR office leases to expire, while AJCs also made the physical space updates, such as ensuring access to private office space, to allow for successful integration of VR services within the state's AJCs. Given this phased approach, VR provided contributions to all AJCs, but the magnitude varied based on co-location status.

Funding limitations. A VR program in one state reported that funding limitations prevented co-locating on a full-time basis. Instead, the VR program provided funding to pay for a kiosk in the AJC that facilitated direct linkages with VR services.

To navigate the challenging task of determining contributions for partners that did not co-locate, states often helped to facilitate securing contributions and local boards benefitted from data systems that allowed them to determine shared customers. To ensure contributions from partners that did not co-locate, one state communicated contribution expectations and requirements to partners, setting the stage for successful negotiations at the local level. Partners in this state understood the financial obligations set forth in the legislation; as a result, they understood the mandate placed on local boards to secure contributions. Another state hoped to integrate all core partner programs into AJCs and took steps toward that goal at the time of the visits. As noted previously, the state boards and workforce agency recognized that factors like long-term leases for program-specific offices prevented co-location from occurring immediately. This state pursued a phased approach to increasing co-location, and by extension cash contributions, to account for these challenges.

All three single-workforce area states negotiated contributions from partners that did not co-locate in AJCs in order to meet WIOA's cost-sharing mandate. For instance, TANF partners in one of these states noted that the program would not co-locate in the state's comprehensive center, but they did make a nominal cash contribution to the center's infrastructure costs. This TANF respondent noted that the program's contributions met the confines of the law and symbolically showed that TANF is part of the system. In one of the other states, the state workforce agency owns all AJC buildings in the state and, at the time of the site visits, only state workforce agency partners provided services in them. Given this structure, the state workforce agency continued to work closely with core and required partners to use their data systems to identify shared customers and to determine contributions based on the number of shared customers receiving services at the state's AJCs. In the third state, although the state workforce

agency administered most of the co-located programs at AJCs, a few partner programs operated by other organizations, such as Job Corps and SCSEP, co-located at many AJCs.

Overall, however, co-location did not change in meaningful ways among the study sites due to MOUs and IFAs, though the nature of partner relationships at both the state and local levels did appear to change in both positive and negative ways, depending on the partner and the extent to which collaboration pre-dated WIOA. Across states and local boards, respondents described new tensions that arose due to WIOA's IFA requirements. State and local board staff noted that in many cases WIOA required them to ask currently co-located partners to begin making financial contributions to AJCs, despite existing arrangements that successfully used non-cash contributions. Respondents from partner organizations similarly expressed frustration regarding requirements to make new financial contributions to AJCs, despite limited and unchanging program funding. For one state, in the process of integrating Title III ES services into the AJC system, local boards faced unique challenges associated with integrating those services within AJCs and then determining how to appropriately and fairly share costs associated with operating AJCs.

State workforce systems focused on increasing cash contributions to the AJC system through IFAs and to promote co-location. While WIOA allowed for non-cash contributions, local boards tended to focus on collecting cash contributions from partners because they viewed them as being easier to administer and incorporate in IFAs and operating budgets than non-cash contributions. While partners saw the value in co-location, they also described impediments to it, and by extension impediments to making more meaningful cash contributions to the AJC system. Physical space constraints limited opportunities for co-location in two ways. First, in some local areas, comprehensive AJCs lacked space to facilitate co-location, reportedly making it more challenging to negotiate contributions from core and required partners. Second, in other instances, core and required partners held leases for stand-alone office spaces and the associated financial commitments reportedly prevented them from co-locating within AJCs. Title IV VR programs often faced this challenge.

3. Challenges faced by local boards

When negotiating with their partners and finalizing their MOUs and IFAs, local board directors and partner program managers pointed to challenges specific to their state and/or local circumstances:

- **Gaps in technical assistance.** Local board directors from one state described challenges specific to the templates their state workforce agency required them to use to structure their agreements. The state provided Excel-based workbooks that local boards had to use create budgets for their AJCs and then to identify partner contributions. The local board directors noted that these tools proved challenging to use and reported needing technical assistance from the state regarding how to populate them. Local board directors from other states pointed to a lack of common understanding among partner programs regarding WIOA's cost-sharing requirements, coupled with insufficient guidance, as impeding their ability to negotiate financial contributions.
- **Tight timelines.** A local board director in one state pointed to the timelines for completing MOUs and IFAs as limiting their ability to sufficiently negotiate infrastructure funding contributions. The board then developed the MOU to meet the deadlines set forth by the state and included language specifying that Titles I and III would cover the infrastructure costs in the short term, but that the signatories would negotiate an infrastructure funding agreement upon receipt of guidance from the state workforce agency.

- **Determining which costs to share.** Two local board directors reported challenges connecting the one-stop operating budget developed as part of the IFA and MOU processes. For one board, the one-stop operating budget included all costs associated with operating the AJC, including salary, supply, and facility costs. However, in practice, the board could only negotiate contributions associated with the facility costs, they reported that this was largely because cost allocation methodologies best align with sharing costs for physical space. Another local board used multiple cost allocation methodologies to determine costs, but it described challenges figuring out how to share costs for things like the resource room or office supplies.
- **Inconsistent contribution levels among state-operated programs.** Local boards often struggled to negotiate with state-operated partner programs. One of the tensions that arose in response to this challenge involved large differences in partner contributions across local areas in a state. This was particularly apparent in one state, in which the same consultant negotiated vastly different partner contributions by local area. In another state, a local board director described input received from a state-operated partner program that was paying for 10 square feet in an AJC in one local area, but 42 square feet at the visited AJC. From the partner’s perspective, the divergent contributions seemed inequitable.

Though site visit respondents described many challenges they faced in the MOU and IFA processes, state, partner, and local board respondents generally expressed optimism about the process going forward. State board and workforce agency respondents described changes that they would make to their guidance and processes to support local board and partners in structuring their agreements, such as clarifying expectations across partners and providing more detailed guidance regarding common challenges like negotiating with off-site partners. Another state piloted a range of WIOA policies in one local area, even as respondents described the cost-sharing and MOU-related efforts as the most challenging component to implement. Though introducing financial requirements created new tensions in existing partner relationships, according to respondents, and the pilot process did not lead to increased co-location, it did provide an avenue for communicating WIOA’s resource-sharing requirements to partners. In this state’s case, the pilot process helped develop a common understanding that helped to limit the strain placed on existing relationships and collaboration.

4. Promising strategies

Through their initial efforts to establish MOUs and IFAs, state boards, local boards, and their partners identified improvements in their processes for use in subsequent negotiations with the goals of minimizing administrative burden and maintaining strong partnerships. Once approved, local boards could make changes to MOUs and IFAs. Annual reviews offered opportunities to adjust agreements based on lessons learned during the development and negotiation of initial MOUs and IFAs under WIOA. Many respondents felt optimistic that the process would become smoother as everyone began to better understand WIOA’s requirements. Site visit responses pointed to a few potentially promising practices for negotiating MOUs and IFAs. These included:

One local board director described how a shift in engagement on the part of the state VR agency helped relieve tension in the negotiation process. Two state VR leaders met with local board staff to explain the constraints associated with the VR program, which helped clear the air. The local board explained, “So it wasn't so much that they didn't want to play nice, it's that they had restrictions and so then all of a sudden the air cleared and it's like this isn't personal anymore.”

- **Cultivating support and engagement among state leaders.** Local board directors reported that high engagement among partner leaders at the state level facilitated successful local negotiations. In some states, this meant that state leaders across core programs took on much of the work to negotiate partner involvement and contributions on behalf of local boards and ensure consistent partner investment across local areas. In other states, negotiations occurred locally, but the state workforce agency set expectations for the MOUs and IFAs with the core and required programs. This seemed to help ease the burden on local boards and simplified negotiations.
- **Creating easy-to-use tools.** Local board and partner respondents across states stressed that having access to standardized instructions, tools, and guidance helped smooth the MOU and IFA processes. For example, VR respondents in one state noted that once the state provided a standard set of resources reviewed by partner programs, the process became much easier to execute and appropriately accounted for each program's unique requirements.
- **Facilitating local partnerships.** For local boards from at least three states, high levels of local control in the process helped to facilitate partnerships. One local board director noted that the MOU process allowed them to first set out expectations and requirements for partners that then extended into IFAs. Local board directors from another state noted that, although the process was quite challenging to execute, it did allow them to make contributions more transparent and the partnerships more "real." This sentiment was echoed by local board directors in another state that engaged in extensive resource sharing under WIA. WIOA's mandate formalized the process and as a result held partners to similar expectations and requirements.

IV. Implementing AJC certification requirements

WIOA emphasizes the need for an integrated AJC system that seamlessly delivers services to all workforce customers across various partners, increases access to services, and promotes continuous improvement. To achieve this vision, WIOA mandates frequent assessment and certification of comprehensive and affiliate AJCs. State boards develop AJC certification criteria and processes that specify a minimum level of quality and consistency of services in AJCs across the state. As articulated in federal guidance, the AJC certification process is intended to create common standards for providing seamless services to job seekers (Wu 2017). This chapter describes the extent to which WIOA facilitated changes to the AJC certification process. It then identifies how states and local boards addressed WIOA priorities through the certification process. It summarizes experiences improving physical accessibility, providing access to services, and promoting partner involvement.¹¹

A. Facilitating changes from WIA to WIOA

WIOA formalized and strengthened certification efforts that many states began under WIA. State and local board respondents recognized the potential for the certification process to improve board engagement in the workforce system, improve partner coordination, and ultimately lead to accessible and streamlined service delivery, despite variation in carrying out the process. WIOA tasks state boards with developing objective criteria and procedures for the local boards to use in “evaluating the effectiveness, physical and programmatic accessibility, and continuous improvement of American Job Centers,” including affiliate and comprehensive centers (Wu 2017).

Nine of the 14 states had some form of certification policy in place under WIA. Early visits conducted in fall 2017 also reflected this dynamic; two of the four states included in the early visits developed more rigorous certification policies under WIOA. Under WIOA, these states formalized efforts and added new requirements as described below.

- **Formalized efforts.** To comply with WIOA, state boards formalized certification procedures by providing written guidance, typically in the form of checklists that specified certification requirements for affiliate and comprehensive centers. State boards also established formal monitoring and continuous improvement procedures. State board respondents in two of the nine states indicated that existing certification policies did not change, but they required more documentation from local boards to ensure compliance with WIOA’s certification mandate.
- **Added new requirements.** Seven states added new certification requirements. These new requirements often related to the physical accessibility of centers to ensure they complied with Americans with Disability Act (ADA) requirements. Other new requirements included creating certification procedures for affiliate centers and establishing other changes, such as new referral requirements, to promote seamless service delivery.

In the remaining five states AJC certification had not been a recent focus and, at the time of the site visits, the certification process was in the early stages of implementation, though there was considerable variation among these states. For example, two states included in the study had not initiated certification in their affiliate centers and needed to develop criteria to adapt their certification process for these centers.

¹¹ Understanding states and local boards’ experiences implementing the American Job Center network branding was not a research question for the site visit component of this study. For additional information on AJCs’ experiences implementing this branding see Brown and Holcomb, 2018.

Local boards in one state lacked awareness that the state had issued certification guidance, suggesting a need for more technical assistance and improved dissemination of certification requirements.

B. Improving physical accessibility

Implementing WIOA's AJC certification required states and local boards to ensure the physical accessibility of AJCs, including meeting ADA requirements. In particular, provisions in AJC leases often prevented states and local boards from changing and updating physical spaces to improve accessibility and meet ADA requirements. Limited time and financial resources placed further constraints on state and local boards' abilities to carry out the certification process as envisioned in WIOA, according to respondents.

State board staff and local board directors across the study states described improving the physical accessibility of AJCs to be particularly challenging. First, states needed to establish an understanding of ADA requirements that could then be translated into guidance for local boards. States often did not have experience examining these requirements. While they often understood features such as ramps, state board and workforce agency staff often lacked knowledge related to other dimensions of accessibility, such as accessible workstations. In some states, VR partners helped state boards understand these requirements and helped develop guidance, including checklists for local boards to use. One state workforce agency respondent worked to get an accessibility checklist from their VR partner and then used it to conduct an initial assessment of the state's AJCs. However, the respondent noted that the state workforce agency lacked the capacity to then provide technical assistance to local boards on how to remedy accessibility issues.

Once state boards identified and passed down ADA and physical accessibility requirements, local boards (and, in the case of single-workforce area states, state boards) then encountered challenges in their efforts to make changes to their physical locations to meet ADA requirements. Respondents from four states reported challenges making updates to buildings to increase physical accessibility and meet ADA requirements. These respondents noted that some of their states' AJCs were located in older buildings, some of which were exempt from making ADA updates due to safe harbor provisions.¹² As a result, they could not work with their building landlords to negotiate updates to the buildings to improve accessibility. In other instances, states and local boards could not get their building landlords to make changes to the spaces. This included changes such as replacing doors or moving toilets to meet ADA requirements.

Addressing physical space issues proved especially challenging for one state. State respondents noted that ADA assessments revealed issues in every AJC in the state. In an effort to mitigate these issues, the state workforce agency sent letters to all their AJCs' landlords asking them to address accessibility issues. However, given high demand in the state for office space, landlords could lease to other entities rather than address the identified issues. Further complicating the issue, the high demand for space also meant that the state would encounter the same issues if they moved AJCs to different spaces, according to respondents.

For many states and local boards that needed to make changes to their AJCs to ensure ADA compliance, limited financial resources were identified as creating challenges for the process. State and local boards

¹² The Americans with Disabilities Act (ADA) was updated in 2010 to include new standards for accessible design of public facilities. The final rule for the 2010 standards provides safe harbor to facilities that complied with the original standards established in 1991. Under safe harbor, these facilities do not need to be brought into compliance until the affected elements are "subject to planned alteration." (U.S. Department of Justice, 2010)

lacked the funding needed to pay for updates to buildings themselves and in some cases the costs of addressing accessibility were prohibitive. In an extreme example, one AJC needed to move a toilet a few inches to meet ADA requirements. However, doing so would cost close to \$15,000. While respondents across state and local boards agreed with the importance of ensuring ADA accessibility, respondents viewed the costs associated with this coupled with long-term leases for AJC space as impeding their ability to meet these criteria.

C. Increasing access to AJC services through certification

Most states focused on setting standards for the accessibility of the state's AJCs and used the certification process to formalize elements of their service delivery models. Certification requirements typically came in the form of checklists that specified each of the certification criteria. Given the number of factors that needed to be included in certification requirements, these checklists often included more than 100 criteria to be evaluated.

Across states, certification criteria addressed efforts to evaluate the effectiveness and accessibility of services, including physical accessibility; promote continuous improvement, and provide quality assurance.

A few states used certification requirements to promote specific service delivery approaches and priorities, as well as to create more robust continuous improvement processes focused on ensuring job seeker and employer satisfaction.

California's Hallmarks of Excellence

California built on its established Hallmarks of Excellence designation through WIOA implementation. California employs a two-phase approach in which AJCs can obtain a baseline certification that ensures the center meets minimum standards. Local boards could also pursue the Hallmarks of Excellence standard for AJCs, which indicates that an AJC exceeds quality standards and prioritizes continuous improvement.

- One state viewed the certification process as a strategic priority and a central element of their WIOA implementation efforts. This strategic focus is reflected in the state's approach for developing and applying certification requirements. To fully engage the state board in the workforce system and AJC operations, in particular, state board members played a key role in developing certification requirements and then evaluating AJCs against them. Beyond establishing certification requirements focused on accessibility of the state's AJCs, the state instituted a continuous improvement process that included customer and employer satisfaction surveys.
- Another state followed a similar approach to certification as it had under WIA, but used WIOA to institute a robust continuous improvement process. In this state, continuous improvement efforts focused on more closely monitoring communication and coordination across partners to streamline services for job seeker and employer customers. Following the continuous improvement approach outlined in the state's certification requirements, each AJC followed a continuous improvement plan that identified action steps, associated due dates, and anticipated results aligned with efforts to enhance integration, increase outreach, improve accessibility and customer satisfaction, and expand partnerships.

As outlined in WIOA, local boards could establish additional certification criteria, beyond those specified by the state. Most local boards initially followed only the state criteria rather than adopting additional criteria for their AJCs. However, a few local boards opted to add to their state's criteria to ensure quality and not just compliance. One state set forth minimum certification requirements in issued guidance and focused on providing room for local boards to use the certification process to articulate their service delivery models and priorities. One local board in this state viewed the certification process as an opportunity to become more engaged and learn the system, reinforce connections with partners, and reinforce training and information sharing. A local board in another state noted that the certification process led them to focus more purposefully on the quality and streamlining of services provided in the center.

Streamlining services through AJC certification

Utah used the AJC certification process to advance strategic priorities in its workforce system. Through its certification process, the state requires each AJC to develop one-page descriptions of each partner's services and requires warm handoffs when making referrals. Based on these changes, partners described better understanding each other's services and being better equipped to interact with each other on behalf of job seekers and employers.

Among the states and local boards in the study, only a few described a large number of changes in their AJCs stemming from the certification process. Respondents from three states described improvements in referral processes due to the certification process. This included better information sharing across partners due to the introduction of information releases, systems to track referrals, and the use of warm handoffs for referrals. As described previously, many states established certification requirements or standards in advance of WIOA. So, at the time of the site visits, changes to service delivery related to certification had occurred in advance of WIOA. At the local level, board respondents in these states noted that implementing WIOA's AJC certification requirements resulted in new compliance requirements in the form of certification checklists and associated documentation.

D. Promoting board and partner involvement through the certification process

The certification process provided an opportunity for state board members, local board members, and partners to develop strong understandings of AJC operations and to promote their continued engagement. States engaged partners to ensure that certification requirements improved AJC accessibility. States then specified who should be involved in certifying centers at the local level and the activities that should be completed as part of the review process.

VR involvement in developing certification criteria. To ensure that the AJC certification process addressed multiple dimensions of accessibility, state boards and workforce agencies often engaged their VR partners when developing certification criteria and, in some instances, when evaluating centers. As described above, ensuring accessibility and complying with ADA requirements proved challenging when certifying AJCs. Recognizing this challenge, about one-third of the states included in this study involved their VR partners in the process to varying degrees. One state worked with its VR counterparts to develop an ADA checklist that was integrated in the issued certification guidance. Another state worked with the VR agency to establish a protocol for serving disabled customers in the AJC. Other states relied on their VR agencies to review and provide feedback on the certification checklist and adjusted certification criteria based on their input. Aside from VR, other partners played a minimal role in the development of certification criteria and guidance. However, as described in the next section, the certification process

often brought partners together at the local level based on efforts to streamline service delivery and improve accessibility.

Engaging board members and partners in certification review. States followed a few different approaches for evaluating certification criteria. Multi-workforce area states followed one of two approaches:

- The local board submitted certification packages to the state for review and consideration
- The local board staff and members participated in review teams tasked with evaluating certification requirements for AJCs in other local areas

In the first model, local boards develop certification submissions for the state to review. Local board respondents described a range of experiences preparing these submissions. When states developed clear guidance, local board respondents viewed the certification process, aside from meeting ADA requirements, as easy. Local board respondents in one state described the process as very easy and straightforward due to the clarity of the state's guidance and checklist. In three other states, local board respondents described this process as more labor intensive due to the documentation required. Local boards in each state needed to provide evidence for each item on the required state checklists and needed to independently develop continuous improvement plans. For these three states, local boards had to take ownership for developing and monitoring continuous improvement of their centers. Local board respondents from two of these states believed the state should be more involved in developing and ensuring continuous improvement using common standards.

In the second model, local board members joined certification teams and conducted certification reviews for AJCs in neighboring local areas. Through this approach, states sought to promote independent certification reviews by having individuals from outside of the local area complete the reviews. This approach typically involved additional activities, such as staff interviews and documentation reviews (for example, reviewing MOUs, training plans, and other policies). In one state, frontline staff participated in interviews that focused on assessing how accessible the center is to different types of job seekers, which including assessing factors such as etiquette when discussing disabilities and serving disabled customers. Certification teams typically then completed checklists and, as needed, collected documentation to verify their ratings.

Given the amount of documentation required, local board and One-Stop Operator respondents often described the certification process as time-intensive. Local board directors in two states noted that the certification process took them away from their own service area and created additional work for staff. When local boards assisted one another with the certification process, it also tended to be time-intensive. However, local board respondents from both states believed it to be beneficial, as it allowed them to learn about other service delivery approaches. The local boards collaborated to review centers in neighboring areas rather than their own centers. These review teams included two to three local board members or staff that would then visit and certify centers.

For single-workforce area states, the certification process fell under the purview of the state board and state workforce agency. One state formed a group of state board members, mostly employers, who served as certification evaluators for the state's AJCs. State respondents viewed this approach as particularly important for engaging the state board in AJC operations and helping them better understand the basic functions of the workforce system. Another single-workforce area state placed primary responsibility for the process on the state workforce agency. Because certification was a new process for the state, the core

partners opted to conduct certification of the state’s comprehensive center annually so that they could continue to refine the process with the goal of improving system integration. The third single-workforce area state reported during the site visit that it had not yet successfully completed the certification process, and described instead focusing on refining its process and addressing facility-based issues that could hinder certification efforts.

Improved partner coordination. Although the AJC certification process often did not result in service delivery changes, respondents believed that the process resulted in a stronger understanding of partner services and aimed to increase coordination among partners on behalf of job seekers and employers. In most states, respondents from state agencies, partners, and

“Everyone knows what everyone else is doing and we know where to direct the student based on what need they have. That was not the case under WIA. There were many discussions under WIA about duplications of services, with TABE testing and that kind of thing. But that’s been alleviated under WIOA.”

—Local adult education provider

local boards highlighted that the AJC certification process, although time-intensive, developed a common understanding of the workforce system and each partner’s role in it. This common understanding has allowed AJCs to streamline services and reduce duplication, according to local-level respondents. A state board director from another state noted that the certification process allowed them to make sure that AJCs are meeting “the true essence of what a one-stop philosophy is.”

V. Looking ahead

This report focused on the efforts of the 14 states and 28 local areas to implement key requirements to establish separate one-stop operators and competitively select them, initiate agreements on service coordination and resource sharing with partner programs, and develop and conduct a certification process for AJCs that was intended to improve service quality and accessibility. While the relatively small sample of states and local areas in this study is not representative and the data collected reflect the status of implementation at the time of the site visits in early 2019, this report offers detailed information on some of the challenges encountered in implementing those key WIOA provisions. Further, respondents' experiences suggest several areas for possible technical assistance to enhance future implementation and help assure that the new requirements achieve their intended goals. Areas for possible technical assistance cover the following:

- **Reducing administrative burden.** Respondents shared that each of the changes to AJC operations described in this report required states and local boards to commit substantial staff time to ensure their successful administration. Local boards might benefit from additional guidance or tools to help streamline the process for issuing and scoring one-stop operator RFPs, negotiating MOUs and IFAs, and certifying AJCs.
- **Improving understanding of WIOA requirements.** States and local boards might benefit from more targeted technical assistance on specific WIOA requirements. At the federal level, additional assistance could help states better understand the key requirements for operator competitions, MOUs and IFAs, and AJC certification. More technical assistance could also help local boards define and fund the operator role and negotiate partner contributions.
- **Supporting partner engagement.** States and local boards perceived that implementation of each of these WIOA requirements was smoother and more successful when partners participated in the development of state-specific policies. Moving forward, additional guidance and peer sharing on effective partner engagement could help facilitate implementation of WIOA requirements. Engaging partners in developing or updating state-specific policies could help strengthen and protect partner relationships by cultivating a common understanding of WIOA's requirements and vision. Further, early involvement of partners may help states craft more integrated policies that align with the needs of the workforce system's diverse stakeholders.

References

- Brown, Elizabeth, and Pamela Holcomb. “An Institutional Analysis of American Job Centers (AJCs): Key Institutional Features of American Job Centers.” Washington, DC: U.S. Department of Labor, Chief Evaluation Office, 2018.
- Dunham, Kate, and Deborah Kogan. “An Institutional Analysis of American Job Centers (AJCs): One-Stop Operators of the AJC System.” Washington, DC: U.S. Department of Labor, Chief Evaluation Office, 2018.
- English, Brittany, and Sarah Osborn. “An Institutional Analysis of American Job Centers (AJCs): Resource Sharing Practices Among American Job Centers.” Washington, DC: U.S. Department of Labor, Chief Evaluation Office, 2018.
- U.S. Department of Justice. “Guidance on the 2010 Standard for Accessible Design.” Washington, DC: U.S. Department of Justice, September 15, 2010. Available at <https://www.ada.gov/regs2010/2010ADASTandards/Guidance2010ADASTandards.htm#titleII>.
- U.S. Department of Labor. “Training and Employment Guidance Letter 15-16. Competitive Selection of One-Stop Operators.” Washington, DC: U.S. Department of Labor, Employment and Training Administration Advisory System, January 17, 2017. Available at https://wdr.doleta.gov/directives/attach/TEGL/TEGL_15-16.pdf
- U.S. Department of Labor. “Training and Employment Guidance Letter 16-16. One-Stop Operating Guidance for the Workforce Innovation and Opportunity Act.” Washington, DC: U.S. Department of Labor, Employment and Training Administration Advisory System, January 18, 2017. Available at https://wdr.doleta.gov/directives/attach/TEGL/TEGL_16-16_Acc.pdf.
- U.S. Department of Labor. “Training and Employment Guidance Letter 17-16. Infrastructure Funding of the One-Stop Delivery System.” Washington, DC: U.S. Department of Labor, Employment and Training Administration Advisory System, January 18, 2017. Available at https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=4968.
- U.S. Departments of Labor and Education. “Workforce Innovation and Opportunity Act; Joint Rule for Unified and Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions; Final Rule.” August 19, 2016. Available at <https://www.federalregister.gov/documents/2016/08/19/2016-15977/workforce-innovation-and-opportunity-act-joint-rule-for-unified-and-combined-state-plans-performance>.

Appendix A:

WIOA Implementation Study Components

Exhibit A.1. WIOA Implementation Study: Site visit states, regions, and local areas

State/Region	1	2	3	4	5	6	State workforce agency	Local workforce area	Local workforce board	American Job Center
1 New Jersey	✓						NJ Department of Labor and Workforce Development	Gloucester County	Gloucester County Workforce Development Board	Gloucester One-Stop Career Center
								Middlesex County	Middlesex County Workforce Development Board	New Brunswick One-Stop Career Center
2 Vermont		✓					Vermont Department of Labor	Single workforce area	Single workforce area	Burlington Career Resource Center
										Morrisville Career Resource Center
3 Pennsylvania		✓					Pennsylvania Department of Labor & Industry	Chester County	Chester County Workforce Development Board	PA CareerLink® Chester County
								Southern Alleghenies	Southern Alleghenies Workforce Development Board	PA CareerLink® Cambria County
4 Virginia			✓				Virginia Employment Commission	Hampton Roads	Hampton Roads Workforce Development Board	Virginia Career Works—Norfolk Center
								South Central	South Central Workforce Development Board	Virginia Career Works—South Boston
5 Florida			✓				Florida Department of Economic Opportunity	North Florida	CareerSource North Florida	Madison office
								Central Florida	CareerSource Central Florida	Orlando office
6 South Carolina				✓			South Carolina Department of Employment and Workforce	Pee Dee	Pee Dee Workforce Development Board	SC Works Pee Dee
								South Coast	Trident Workforce Development Board	SC Works Trident
7 Colorado				✓			Colorado Department of Labor & Employment	Weld County	Weld County Workforce Development Board	Employment Services of Weld County
								Pikes Peak	Pikes Peak Workforce Development Board	Pikes Peak Workforce Center
8 Oklahoma				✓			Oklahoma Office of Workforce Development	South Central	South Central Oklahoma Workforce Board	Lawton Workforce Center
								Southern	Southern Workforce Board	McAlester Workforce Center

Exhibit A.1 (continued)

	State/Region	1	2	3	4	5	6	State workforce agency	Local workforce area	Local workforce board	American Job Center
9	Texas				✓			Texas Workforce Commission	Heart of Texas	Workforce Solutions for the Heart of Texas	McLennan County Workforce Solutions Center
									Capital Area	Workforce Solutions Capital Area	North Center
10	Utah					✓		Utah Department of Workforce Services	Single workforce area	Single workforce area	Price Center
											Provo Center
11	Indiana					✓		Indiana Department of Workforce Development	Central	Region 5 Workforce Development Board	WorkOne Greenfield
									Marion County	Employ Indy	WorkOne Indy
12	Wisconsin						✓	Wisconsin Department of Workforce Development	South Central	Workforce Development Board of South Central Wisconsin	Dane County Job Center (Madison)
									West Central	Workforce Development Board of West Central Wisconsin	Eau Claire County Job Center
13	Idaho						✓	Idaho Department of Labor	Single workforce area	Single workforce area	Boise
											Caldwell
14	Washington						✓	Washington State Employment Security Department	Vancouver	WorkSource Southwest Washington	WorkSource Vancouver
									Spokane	Spokane Workforce Council	WorkSource Spokane
15	Massachusetts (pilot)	✓						Department of Career Services	North Shore	MassHire-North Shore Workforce Board	MassHire North Shore Career Center—Salem
									Lowell	MassHire-Greater Lowell Workforce Board	MassHire Lowell Career Center
16	Mississippi (pilot)		✓					Department of Employment Security	Twin Districts	Twin Districts Local Workforce Development Board	Hattiesburg Job Center
									Southcentral Mississippi Works	Southcentral Mississippi Works Local Workforce Development Board	Madison Job Center
17	Ohio (pilot)					✓		Department of Jobs and Family Services	Area 20	South Central Ohio Workforce Partnership	OhioMeansJobs Fairfield County
									Area 11	Workforce Development Board of Central Ohio	OhioMeansJobs Columbus—Franklin County
18	California (pilot)						✓	Employment Development Department	San Joaquin County	San Joaquin County WorkNet	Stockton WorkNet Center
									Contra Costa County	Workforce Development Board of Contra Costa County	Concord American Job Center

Mathematica

Princeton, NJ • Ann Arbor, MI • Cambridge, MA
Chicago, IL • Oakland, CA • Seattle, WA
Tucson, AZ • Woodlawn, MD • Washington, DC

EDI Global, a Mathematica Company

Bukoba, Tanzania • High Wycombe, United Kingdom



mathematica.org