

BYPASS THE IMPASSE: FIVE STEPS FOR A SUCCESSFUL MOU NEGOTIATION

Step 1 – Start early, at the top, with all the WIOA Core Partners.

When WIOA was enacted, the Governor's Office helped the key Illinois agencies (including the four core partners that administer Title IB-WIOA, Title II-Adult Ed, Title III-Wagner-Peyser, and Title IV Vocational Rehabilitation) to create the State WIOA Interagency Work Group (IWG) to handle the cross-agency issues of implementing the new program. The IWG is made up of the state administrators for each of the core partners and members of the state workforce innovation board and is responsible for ensuring Illinois employs an integrated, collaborative approach for WIOA implementation across the required partners. It provides guidance and technical assistance to all WIOA partners on how to put into practice the guidance provided by the U.S. Departments of Labor and Education and the Illinois state workforce innovation board. The IWG works closely with the state board and provides policy recommendations as needed for the board's consideration.

Beyond the four core partners, the IWG also includes the other required partner programs administered by state agencies, such as: Trade Adjustment Assistance; Unemployment Compensation; Jobs for Veterans; Reentry Employment / Second Chance; Perkins/Career & Technical Education; Temporary Assistance to Needy Families; Community Service Block Grant; and the Senior Community Service Employment Program. Other programs administered by statewide organizations in Illinois, such as the Migrant and Seasonal Farmworkers Program, are also members of the IWG.

When the WIOA Final Rules were issued, the IWG immediately began to assess how MOU guidance must be updated. Revised guidelines were issued in December of 2016, so that local negotiations could begin on January 2017 for MOUs to be effective July 2017.

All partners on the IWG were directly involved in the development and review of the Governor's Guidelines from the beginning. This was important because it gave all partners equal ownership, which prevented local partner staff from "going rogue" during negotiations. Early in the process, the IWG briefed the legal and fiscal staff of the four core partners on MOU federal statutory and regulatory requirements to forestall problems arising later.

Step 2 – Lay a solid, standardized foundation.

The Governor's Guidelines clearly described the who, what, when and how of MOU negotiations. The guidelines included templates for the overarching narrative that describes which programs are party to the MOU and what role each partner will take in providing services; and for the identification of shared costs and how those costs would be distributed among partners. Standardization of forms is important because it allows for streamlined technical assistance from both state partners and among local areas. It also makes for a much more efficient review process.

The IWG review and approval process looked at the MOU narrative and the infrastructure and system delivery shared costs agreements as one document. Local approval signatures applied to both the narrative and the shared funding agreement. (The Governor's guidelines, MOU templates, and information related to supporting documentation are available at: www.illinoisworknet.com/WIOA/Resources/Pages/Public-Documents.aspx).

Step 3 – Set interim milestones with deliverables for early warnings and to avoid procrastination.

We set interim deadlines with tangible deliverables to force the issue of local negotiations and provide early warning opportunities. For MOUs effective July 1, we required a report on the state of negotiations and a draft cost allocation budget be submitted by April 15. May 1 marked the beginning of a 30-day remediation period for those areas that reported they had not reached agreement. In Illinois we opted to proceed with our plan to have MOUs completed by June 30, 2017, despite the federal deadline being pushed back six months. Our local areas were making good progress on their negotiations, and the IWG decided it was in the best interests of all, including our customers, to forge ahead as originally planned.

Step 4 – Be available and helpful.

From January to June the IWG held numerous recorded webinars to remind all required local partners of the process and timelines and to provide opportunities for Q&A. Most questions could be answered immediately on the webinar. Regardless of whether a question could be answered right away or required some research, all responses were posted to an online FAQ page.

Our MOU team also ran interference for areas struggling to secure involvement or signatures from local partners. Local partner issues were (usually) swiftly handled by the IWG. It's not enough to just take in the issues; the team has to help local staff avoid or break through the inevitable logjams that arise.

Step 5 – Utilize field deployment if needed.

For areas that could not reach agreement on their own, the IWG designated teams made up of state core partner staff to meet with all the local partners and mediate a settlement. This team must leave some of their "program hat" at the door, providing impartial program expertise without becoming an overtly partisan advocate for their program. In some cases, the lack of agreement stemmed from just not being sure how to proceed; in others it was due to well-meaning but mistaken assumptions on available options; and in another it was because a key partner unilaterally developed the cost allocation and expected the "negotiation" to be the other partners voting to accept their invoices. So far, over two seasons, the IWG remediation teams are batting one thousand, but they are willing to retire immediately if it means all local areas have come to agreement on their own.

Take heart!

We get to do the shared costs budget negotiation every year. So, if your process this year left something to be desired, no worries, you will have an opportunity to do it better in just a few months.