

Workforce Arizona Council

ARIZONA@WORK Job Center Service Delivery System Policy

03-2016	ARIZONA@WORK Job Center Service Delivery System
ISSUING AGENCY:	State Workforce Development Board
SCOPE:	State Workforce Development Board, Arizona Department of Economic Security, Arizona Department of Education, Arizona Commerce Authority, Local Workforce Development Boards, Local Workforce Administrative Entities, One-Stop Operators, and Workforce System Stakeholders
REFERENCES:	<p>Title I of the Workforce Innovation and Opportunity Act (WIOA) of 2014, (Pub. L. 113-128); WIOA Proposed* Regulations, 20 CFR Part 678 Description of the One-Stop System Under Title I of the WIOA; 2 CFR 200, Uniform Guidance for Federal Financial Assistance, as applicable.</p> <p>*This policy is based on WIOA Proposed regulations as published in the Federal Register on April 16, 2015 and may need to be amended to align with the WIOA Final regulations once the U.S. Department of Labor, U.S. Department of Education, and the U.S. Department of Health and Human Services complete the rulemaking process.</p>
EFFECTIVE DATE:	July 1, 2016
OBJECTIVE:	This policy provides local workforce development boards and other workforce system partners with instruction and guidance regarding the administration of ARIZONA@WORK Job Center Service Delivery system. Note: The term one-stop delivery system is used interchangeably with ARIZONA@WORK Job Center service delivery system.
TABLE OF CONTENTS:	<ul style="list-style-type: none"> I. Definitions II. Vision for One-Stop Delivery System III. One-Stop Delivery System Structure IV. One-Stop Delivery System Electronic Access V. Required One-Stop Delivery System Partners VI. Optional One-Stop Delivery System Partners VII. Required One-Stop Partner Responsibilities VIII. Memorandum of Understanding (MOU) for the One-Stop Delivery System IX. MOU Development Process X. One-Stop Center Operators XI. One-Stop Operator Selection Process XII. One-Stop Infrastructure Costs XIII. Outreach and Branding XIV. State Administrative Entity Responsibilities
I. DEFINITIONS:	The One-Stop Delivery System brings together workforce development, educational, and other human resource services in a seamless

Workforce Arizona Council

ARIZONA@WORK Job Center Service Delivery System Policy

customer-focused service delivery network that enhances access to the programs' services and improves long-term employment outcomes for individuals receiving assistance. One-stop partners administer separately funded programs as a set of integrated streamlined services to job seeker and employer customers. (20 CFR 678.300)

In Arizona, American Job Centers, also referred to as the one-stop delivery system, are known as **ARIZONA@WORK Job Centers**.

In Arizona, **the State Workforce Development Board** is called the **Workforce Arizona Council (WAC)**.

In Arizona, the **State Administrative Entity** is the Arizona Department of Economic Security for WIOA Title I, III, and IV funds and the Arizona Department of Education for WIOA Title II funds.

- II. Vision for ARIZONA@WORK Job Centers Service Delivery System:** The Workforce Arizona Council (WAC) envisions a job-driven public workforce development system in Arizona that focuses equally on the employment needs of job seekers and employers' needs for skilled labor with industry-recognized credentials to meet their current and future demand for labor. To fulfill its vision, the WAC will focus on developing the following characteristics throughout the system, including measuring the degree to which the local and regional workforce areas successfully offer activities that result in the growth of these characteristics.
- **Extensive Knowledge of Local Economy:** Local Workforce Development Boards and ARIZONA@WORK Job Centers have extensive knowledge about the local and regional economy they serve and use labor market, economic, and employer data to inform decision-making about how to maximize the impact of the public workforce system on the local and regional economy.
 - **Business Engagement:** Local Workforce Development Board's and ARIZONA@WORK Job Centers efforts to engage business partners are robust and comprehensive. Business Services representatives in the local areas are trained and certified by the Arizona Commerce Authority (ACA) Workforce Department, and possess the knowledge, expertise and capacity to design and deploy custom workforce solutions for employers in their areas.
 - **Sector Partnerships:** Local Workforce Development Boards and ARIZONA@WORK Job Centers convene and/or participate in one or more sector partnerships that are rooted in economic and labor market data analysis and driven by industry.
 - **Work-Based Learning Opportunities:** Local Workforce Development Boards and ARIZONA@WORK Job Centers collaborate with employers to increase the availability of work-based learning opportunities such as on-the-job training, work experiences, pre-apprenticeships, and Registered Apprenticeship as training paths to employment.
 - **Job Seekers Trained for In-Demand Jobs:** Local Workforce Development Boards and ARIZONA@WORK Job Centers focus education and training efforts on equipping job seekers

ARIZONA@WORK Job Center Service Delivery System Policy

and workers with skills and credentials directly connected to job placements along career pathways in high-growth/high-wage industries to the greatest extent possible.

- **Industry-recognized Credentials:** Local Workforce Development Boards and ARIZONA@WORK Job Centers increase the number of participants who attain personal, portable, industry-recognized credentials.
- **Career Pathways:** Local Workforce Development Boards and ARIZONA@WORK Job Centers perpetually work to create new career pathways and promote existing employer-validated career pathways.
- **Access to Services:** Local Workforce Development Boards and ARIZONA@WORK Job Centers ensure access to skill development and employment services for all job seekers including access to supportive services and relevant guidance for those with barriers to employment.
- **Actively Engage Veterans and Other Priority and Special Populations:** Local Workforce Development Boards and ARIZONA@WORK Job Centers, working collaboratively with other community or statewide efforts when available, implement effective strategies to engage Veterans and other priority and special populations (as defined in WIOA) in workforce development services. The Arizona Roadmap to Veteran Employment, as referenced in the State Plan, is one example of a statewide strategy to engage a priority population.
- **Board Capacity and Engagement:** Local Workforce Development Boards stay actively engaged and have the training, expertise, and experience to fulfill their governance roles as defined by WIOA.
- **Highly Integrated Service Delivery System:** Local Workforce Development Boards and ARIZONA@WORK Job Centers ensure that service delivery and resources are fully integrated, coordinated between all job center partners, and centered on meeting the needs of job seekers, workers, and business customers. An integrated model of service delivery and resources includes policies that enable partners to share and use captured information across multiple programs; cross-program staffing and customer flow management that optimizes efficiency and enhances customer experiences; and a management information system that effectively shares customer information across programs. Management information can occur through a single management information system that supports multiple programs or include data linkages within existing management information systems to share customer information effectively. Local areas participate in statewide efforts to develop systems that share customer information effectively.
- **Continuous Evaluation and Improvement of Services:** Local Workforce Development Boards and ARIZONA@WORK Job Centers continuously evaluate and improve services and processes to increase job seeker, worker, and business customer access and satisfaction, and achieve performance measures.
- **Use Evidence-based, Best and Promising Practices for Service Delivery:** Local Workforce Development Boards and ARIZONA@WORK Job Centers provide comprehensive business and

ARIZONA@WORK Job Center Service Delivery System Policy

skill development services using best and promising practices and/or evidence-based practices when available.

- III. One-Stop Delivery System Structure:** The ARIZONA@WORK Job Center service delivery system must include at least one comprehensive physical center in each designated local area (20 CFR 678.300). The service delivery system in a local area may supplement and enhance the comprehensive center with one or more of the following:
- a) An affiliated site or a network of affiliated sites, where one or more partners make programs, services, and activities available;
 - b) A network of eligible required and optional one-stop partners, through which each partner provides one or more of the programs, services, and activities that are linked, physically or technologically, to an affiliated site or access point that ensures customers are provided information on the availability of career services, as well as other program services and activities, regardless of where they initially enter the workforce system in the local area;
 - c) Specialized centers that address specific needs, including those of dislocated workers, youth, or key industry sectors, or clusters.

One-Stop Delivery System Components:

Comprehensive One-Stop Centers: A comprehensive one-stop center is a physical location where job seeker and employer customers can access the programs, services, and activities of all required one-stop partners and meets the following criteria (20 CFR 678.305):

- a) A comprehensive one-stop center must have at least one Title I staff person physically present.
- b) The comprehensive one-stop center must provide and promote:
 - 1. Career services, described in § 678.430;
 - 2. Access to training services described in § 680.200;
 - 3. Access to any employment and training activities carried out under sec. 134(d) of WIOA;
 - 4. Access to programs and activities carried out by one-stop partners listed in §§ 678.400 through 678.410, including Wagner-Peyser employment services; and
 - 5. Workforce and labor market information.
- c) Customers must have access to these programs, services, and activities during regular business days at a comprehensive one-stop center. The Local Board may establish other service hours at other times to accommodate the schedules of individuals who work on regular business days. The State Board will evaluate the hours of access to service as part of the evaluation of effectiveness in the one-stop certification process described in § 678.800(b).
- d) "Access" to programs and services means having either: Program staff physically present at the location; having partner program staff physically present at the one-stop appropriately trained to provide information to customers about the programs, services, and activities available through partner programs; and/or providing direct linkage through technology to

Workforce Arizona Council

ARIZONA@WORK Job Center Service Delivery System Policy

program staff who can provide meaningful information or services. Local workforce development areas may use whatever combination of access methods needed to perform effectively the required duties of and meet the criteria of a comprehensive One-Stop Center.

1. A "direct linkage" means providing direct connection at the one-stop, within a reasonable time, by phone or through a real-time Web-based communication to a program staff member who can provide program information or services to the customer. Reasonable means within two business days or less.
 2. A "direct linkage" does not include providing a phone number or computer Web site that can be used at an individual's home; providing information, pamphlets, or materials; or making arrangements for the customer to receive services at a later time or on a different day.
- e) All comprehensive one-stop centers must be physically and programmatically accessible to individuals with disabilities, as described in § 678.800.

Affiliate Site(s): An affiliated site, or affiliate one-stop center, is a site that makes available to job seeker and employer customers one or more of the one-stop partners' programs, services, and activities. Affiliated sites are access points in addition to the comprehensive one-stop center(s) in each local area used to supplement and enhance customer access to services (20 CFR 678.310).

- a) An affiliated site does not need to provide access to every required one-stop partner program.
- b) The local area will determine the frequency of program staff's physical presence in the affiliated site.
- c) Separate stand-alone Wagner-Peyser employment services offices are not permitted under WIOA (20 CFR 678.315 and 652.202).
 1. If Wagner-Peyser employment services are provided at an affiliated site, there must be at least one other partner in the affiliated site with staff physically present more than 50 percent of the time the center is open.
 2. Additionally, the other partner must not be the partner administering local veterans' employment representatives, disabled veterans' outreach program specialists, or unemployment compensation programs. If Wagner-Peyser employment services and any of these three programs are provided at an affiliated site, an additional partner must have staff present in the center more than 50 percent of the time the center is open.
 3. States, in conjunction with the Local Workforce Development Boards, must examine lease agreements and property holdings throughout the one-stop delivery system in order to use property in an efficient and effective way. Where necessary and appropriate, States and Local Workforce Development Boards must take expeditious steps to align lease expiration dates with efforts to consolidate one-stop operations into service points where Wagner-Peyser employment services are co-located as soon as reasonably possible. These steps must be included in the State Plan. (20 CFR 678.310c)

Workforce Arizona Council

ARIZONA@WORK Job Center Service Delivery System Policy

- d) All affiliated sites must be physically and programmatically accessible to individuals with disabilities, as described in § 678.800.

Network of One-Stop Partners or Specialized Centers: Any network of one-stop partners or specialized centers must connect to the comprehensive one-stop center in the area, as well as, any appropriate affiliate centers (i.e. such as having processes in place to make referrals to the comprehensive and affiliate sites) (20 CFR 678.320).

- a) Wagner-Peyser employment services cannot stand alone in a specialized center.
- b) Consistent with the requirements for an affiliated site, a specialized center must include other programs besides Wagner-Peyser employment services, local veterans' employment representatives, disabled veterans' outreach program specialists, and unemployment compensation (20 CFR 678.315).

IV. One-Stop Delivery System Electronic Access: In addition to providing access to services through the mandatory comprehensive physical one-stop center and any affiliated sites or specialized centers, required one-stop partner programs must provide access to programs, services, and activities through electronic means, where applicable and practicable. (20 CFR 678.300e)

- a) The provision of programs and services by electronic methods such as Web sites, telephones, or other means must improve the efficiency, coordination, and quality of one-stop partner services.
- b) Electronic delivery must not replace access to such services at a comprehensive one-stop center or be a substitute to making services available at an affiliated site if the partner is participating in an affiliated site.
- c) Electronic delivery systems must be in compliance with the nondiscrimination and equal opportunity provisions of WIOA in section 188 and the implementing regulations at 29 CFR part 37.

V. Required ARIZONA@WORK Delivery System Partners: An entity identified as a one-stop delivery system partner is the grant recipient, administrative entity, or organization responsible for administering the funds of the specified program in the local area. The term "entity" does not include the service providers that contract with, or are sub-recipients of, the local administrative entity. For programs that do not include local administrative entities, the responsible State agency should be the partner. If a program or activity listed as a required partner is not carried out in a local area, the requirements relating to a required one-stop partner are not applicable to such program or activity in that local one-stop system (20 CFR 678.415).

The entities responsible for administering the following programs and activities in the local area are required one-stop delivery system partners (20 CFR 678.400):

- a) *Programs authorized under Title I of WIOA, including Adults, Dislocated Workers, Youth, Job Corps, YouthBuild, Native American programs, and migrant and seasonal farm worker*

Workforce Arizona Council

ARIZONA@WORK Job Center Service Delivery System Policy

programs. The one-stop partner entity for the Native American program and Migrant and Seasonal Farmworker programs is the grantee of those respective programs. The one-stop partner entity for Job Corps is the Job Corps center (20 CFR 678.400).

- b) *Employment services authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.).*
- c) *Adult education and literacy activities authorized under Title II of WIOA.* For Title II of WIOA, the sole entity or agency in the State or outlying area responsible for administering or supervising policy for adult education and literacy activities in the State or outlying area is the one-stop partner entity. The State eligible entity may delegate its one-stop partner responsibilities to one or more eligible providers or consortium of eligible providers (20 CFR 678.415b).
- d) *The Vocational Rehabilitation program authorized under Title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.).* For the Vocational Rehabilitation program, the one-stop partner entity is the designated State agencies or designated State units specified under sec. 101(a)(2) of the Rehabilitation Act that is primarily concerned with vocational rehabilitation, or vocational and other rehabilitation, of individuals with disabilities.
- e) *The Senior Community Service Employment Program authorized under Title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.).*
- f) *Career and technical education programs at the post-secondary level authorized under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.).* For the Carl D. Perkins Career and Technical Education Act of 2006, the State eligible agency is the one-stop partner entity. The State eligible agency may delegate its one-stop partner responsibilities to one or more State agencies, eligible recipients at the postsecondary level, or consortia of eligible recipients at the post-secondary level.
- g) *Trade Adjustment Assistance activities authorized under chapter 2 of Title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.);*
- h) *Jobs for Veterans State Grants programs authorized under chapter 41 of Title 38, U.S.C.;*
- i) *Employment and training activities carried out under the Community Services Block Grant (42 U.S.C. 9901 et seq.);*
- j) *Employment and training activities carried out by the Department of Housing and Urban Development;*
- k) *Programs authorized under State unemployment compensation laws (in accordance with applicable Federal law);*
- l) *Programs authorized under sec. 212 of the Second Chance Act of 2007 (42 U.S.C. 17532); and*
- m) *Temporary Assistance for Needy Families (TANF) authorized under part A of Title IV of the Social Security Act (42 U.S.C. 601 et seq.), unless exempted by the Governor.*
 - 1) The Governor notified the Secretaries of the U.S. Departments of Labor and Health and Human Services in writing that TANF will not be a required partner in Arizona, or within some specific local areas in the State. Local TANF programs may still opt to be a one-stop partner, or to work in collaboration with the one-stop center.

Workforce Arizona Council

ARIZONA@WORK Job Center Service Delivery System Policy

VII. Optional One-Stop Partners: The Local Board and chief elected official(s) may approve other entities that carry out a workforce development program, including Federal, State, or local programs and programs in the private sector, as additional partners in the one-stop system including (20 CFR 678.410):

- a) Employment and training programs administered by the Social Security Administration, including the Ticket to Work and Self-Sufficiency Program established under sec. 1148 of the Social Security Act (42 U.S.C. 1320b-19);
- b) Employment and training programs carried out by the Small Business Administration;
- c) Supplemental Nutrition Assistance Program (SNAP) employment and training programs, authorized under sections 6(d)(4) and 6(o) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(d)(4));
- d) Client Assistance Program authorized under section 112 of the Rehabilitation Act of 1973 (29 U.S.C. 732);
- e) Programs authorized under the National and Community Service Act of 1990 (42 U.S.C. 12501 *et seq.*); and
- f) Other appropriate Federal, State or local programs, including employment, education, and training programs provided by public libraries or in the private sector.

VII. Required One-Stop Partner Responsibilities: Each required one-stop delivery system partner must (20 CFR 678.420):

- a) Provide access to its programs or activities through the one-stop delivery system, in addition to any other appropriate locations (WIOA sec. 121(b)(1)(A)(i));
- b) Use a portion of funds made available to the partner's program, to the extent consistent with the Federal law authorizing the partner's program and with Federal cost principles in 2 CFR parts 200 and 2900 (requiring, among other things, that costs are allowable, reasonable, necessary, and allocable), to:
 1. Provide applicable career services; and
 2. Work collaboratively with the State and Local Workforce Development Boards to establish and maintain the one-stop delivery system. This includes jointly funding the one-stop infrastructure through partner contributions that are based upon:
 - (i) A reasonable cost allocation methodology by which infrastructure costs are charged to each partner in proportion to the relative benefits;
 - (ii) Federal cost principles; and
 - (iii) Any local administrative cost requirements in the Federal law authorizing the partner's program. (This is further described in § 678.700.) (WIOA sec. 121(b)(1)(A)(ii));
- c) Enter into an MOU with the Local Board relating to the operation of the one-stop system that meets the MOU requirements in this policy;

Workforce Arizona Council

ARIZONA@WORK Job Center Service Delivery System Policy

- d) Participate in the operation of the one-stop system in a manner consistent with the terms of the MOU, requirements of authorizing laws, the Federal cost principles, and all other applicable legal requirements (WIOA sec. 121(b)(1)(A)(iv)); and
- e) Provide representation on the State and Local Workforce Development Boards as required and participate in Board committees as needed (WIOA secs. 101(b)(iii) and 107(b)(2)(C) and (D)).

VIII. Memorandum of Understanding for the One-Stop Delivery System: The memorandum of understanding (MOU) is an agreement relating to the operation of the one-stop delivery system in the local area. The Local Board develops the MOU through local discussion and negotiation, and executes the agreement between the Local Board, the chief elected official, and the one-stop partners. Two or more local areas in a region may develop a single joint MOU, if they are in a region that has submitted a regional plan under sec. 106 of WIOA (20 CFR 678.500).

- a) A single "umbrella" MOU may be developed that addresses the issues relating to the local one-stop delivery system for the Local Board, chief elected official and all partners. Alternatively, the Local Board (with agreement of chief elected official) may enter into separate agreements between each partner or groups of partners (20 CFR 678.505).
- b) Since funds are generally appropriated annually, the Local Board may negotiate financial agreements with each partner annually to update funding of services and operating costs of the system under the MOU.
- c) The MOU, whether an umbrella MOU or separate partner agreements, must include (20 CFR 678.500b):
 - 1. A detailed description of services to be provided through the one-stop delivery system, including the manner in which the services will be coordinated and delivered through all components of the system;
 - 2. A final plan, or an interim plan if needed, on how the costs of the services and the operating costs of the system will be funded, including:
 - (i) Funding of infrastructure costs of one-stop centers in accordance with §§ 678.700 through 678.755; and
 - (ii) Funding of the shared services and operating costs of the one-stop delivery system described in § 678.760;
 - 3. Methods for referring individuals between the one-stop operators and partners for appropriate services and activities;
 - 4. Methods to ensure that the needs of workers, youth, and individuals with barriers to employment, including individuals with disabilities, are addressed in providing access to services, including access to technology and materials that are available through the one-stop delivery system;
 - 5. The duration of the MOU and procedures for amending it;

Workforce Arizona Council

ARIZONA@WORK Job Center Service Delivery System Policy

6. Assurances that each MOU will be reviewed, and if substantial changes have occurred, renewed, not less than once every 3-year period to ensure appropriate funding and delivery of services; and
 7. Any other provisions agreed to by the parties that are consistent with WIOA Title I, the authorizing statutes and regulations of one-stop partner programs, and the WIOA regulations (WIOA sec. 121(c)). This includes personnel rules and regulations and collective bargaining agreements of the respective partner entities.
- d) When fully executed, the MOU must contain the signatures of the Local Board, one-stop partners, the chief elected official(s), and the time period in which the agreement is effective.
 - e) The MOU must be updated not less than every 3 years to reflect any changes in the signatory official of the Board, one-stop partners, and chief elected officials, or one-stop infrastructure funding. If a one-stop partner appeal to the State regarding infrastructure costs results in a change to the one stop partner's infrastructure cost contributions, the MOU must be updated to reflect the final one-stop partner infrastructure cost contributions.

IX. MOU Development Process: The MOU is a product of local discussions and good-faith negotiations between Local Workforce Development Boards, chief elected officials, and one-stop partners and should reflect the full and effective partnerships of these partners (20 CFR 678.510).

- a) Local Workforce Development Boards, chief elected officials, and one-stop partners may also request assistance from a State agency responsible for administering the partner program, the Governor, State Board, or other appropriate parties on other aspects of the MOU.
- b) Local Workforce Development Boards and one-stop partners must establish, in the MOU, a final plan for how the Local Board and programs will fund the infrastructure costs of the one-stop centers. If a final plan regarding infrastructure costs is not complete when other sections of the MOU are ready, an interim infrastructure funding agreement, including as much detail as the Local Board has negotiated with one-stop partners, may be included instead (20 CFR 678.715(c)).
 1. The interim infrastructure agreement must be finalized within 6 months of when the MOU is signed. If the interim infrastructure agreement is not finalized within that timeframe, the Local Board must notify the Governor (20 CFR 678.725).
 2. Once the final infrastructure cost plan is approved, the Local Board and one-stop partners must amend the MOU to include the final plan for funding infrastructure costs of the one-stop centers, including a description of the funding mechanism established by the Governor relevant to the local area.
- c) The Local Board must report to the State Board, Governor, relevant State agency, and other appropriate parties when MOU negotiations with one-stop partners have reached an impasse.
 1. The Local Board and partners must document the negotiations and efforts that have taken place in the MOU. The State Board, one-stop partner programs, and the Governor may consult with the appropriate Federal agencies to address impasse situations related to

Workforce Arizona Council

ARIZONA@WORK Job Center Service Delivery System Policy

issues other than infrastructure funding after attempting to address the impasse. Impasses related to infrastructure cost funding must be resolved using the State infrastructure cost funding mechanism (20 CFR 678.73).

2. The Local Board must report failure to execute an MOU with a required partner to the Governor, State Board, and the State agency responsible for administering the partner's program. Additionally, if the State cannot assist the Local Board in resolving the impasse, the Governor or the State Board must report the failure to the Secretary of Labor and to the head of any other Federal agency with responsibility for oversight of a partner's program.
- X. One-Stop Center Operators:** The Local Board must procure one or more one-stop operators to coordinate the service delivery of required one-stop partners and service providers. The competitive procurement process for a one-stop operator must clearly articulate the role of the one-stop operator and the required activities for the one-stop operator.
- a) Local Workforce Development Boards may establish additional roles of one-stop operator, including, but not limited to:
 1. Coordinating service providers within the center and across the one-stop system;
 2. Being the primary provider of services within the center;
 3. Providing some of the services within the center; or
 4. Coordinating service delivery in a multi-center area.
 - b) A one-stop operator may not perform the following functions:
 1. Convene system stakeholders to assist in the development of the local plan;
 2. Prepare and submit local plans (as required under sec. 107 of WIOA);
 3. Be responsible for oversight of itself;
 4. Manage or significantly participate in the competitive selection process for one-stop operators;
 5. Select or terminate one-stop operators, career services, and youth providers;
 6. Negotiate local performance accountability measures; and
 7. Develop and submit a budget for activities of the Local Board in the local area.

An entity serving as a one-stop operator may perform some or all of these functions if it also serves in another capacity, if it has established sufficient firewalls in place in regards to the competition, and subsequent oversight, monitoring, and performance evaluation of the service provider. The operator cannot develop, manage or conduct the competition of a service provider in which it intends to compete (20 CFR 678.625).

Local Workforce Development Boards, State and local agencies can compete for and be selected as one-stop operators, as long as appropriate firewalls and conflict of interest policies and procedures are in place. The firewalls must be included in a written agreement with the Local Board and chief local elected official to clarify how the organization will carry out its responsibilities while demonstrating compliance with the WIOA and corresponding regulations, relevant Office of Management and Budget (OMB) circulars, and the State's conflict of interest policy (20 CFR 678.615 and 20 CFR 679.430).

Workforce Arizona Council

ARIZONA@WORK Job Center Service Delivery System Policy

In cases where an operator is also a service provider, there must be firewalls and internal controls within the operator-service provider entity, as well as specific policies and procedures at the Local Board level regarding oversight, monitoring, and evaluation of performance of the service provider. The firewalls must be included in a written agreement with the Local Board and chief local elected official to clarify how the organization will carry out its responsibilities while demonstrating compliance with the WIOA and corresponding regulations, relevant OMB circulars, and the State's conflict of interest policy (20 CFR 679.430).

- c) One-stop operators may be a single entity (public, private, or nonprofit) or a consortium of entities. If the consortium of entities is one of the one-stop partners, it must include a minimum of three of the required one-stop partners.
1. The one-stop operator may operate one or more one-stop centers. There may be more than one one-stop operator in a local area.
 2. One-stop operators may include the following entities:
 - (i) An institution of higher education;
 - (ii) An Employment Service State agency established under the Wagner-Peyser Act;
 - (iii) A community-based organization, nonprofit organization, or workforce intermediary;
 - (iv) A private for-profit entity;
 - (v) A government agency;
 - (vi) A Local Board, with the approval of the chief local elected official and the Governor; or
 - (vii) Another interested organization or entity, which is capable of carrying out the duties of the one-stop operator. Examples may include a local chamber of commerce or other business organization, or a labor organization.
 3. Elementary schools and secondary schools are not eligible as one-stop operators, except that a nontraditional public secondary school such as a night school, adult school, or an area career and technical education school may be selected.
- d) The State and Local Workforce Development Boards must ensure that, in carrying out WIOA programs and activities, one-stop operators:
1. Disclose any potential conflicts of interest arising from the relationships of the operators with particular training service providers or other service providers;
 2. Do not establish practices that create disincentives to providing services to individuals with barriers to employment who may require longer term career and training services; and
 3. Comply with Federal regulations and procurement policies relating to the calculation and use of profits, including those at 20 CFR 683.295, the Uniform Guidance at 2 CFR chapter II, and other applicable regulations and policies.

XI. One-Stop Operator Selection Process: The Local Board must procure the one-stop operator through a competitive process at least once every 4 years (WIOA sec. 121(d)(2)(A), 20 CFR

Workforce Arizona Council

ARIZONA@WORK Job Center Service Delivery System Policy

678.605). The State may require, or a Local Board may choose to implement, a competitive selection process more than once every four years. The Local Board must document the procurement procedures in writing to reflect the standards outlined in the Uniform Guidance (2 CFR 200.318 thru 200.326). The Local Board also must maintain written standards of conduct regarding individual and organizational conflict of interest. Supporting documentation must be retained to sufficiently record the procurement process and be made available for monitoring. Finally, the Local Board must provide oversight to ensure the performance and accountability of the one-stop operator.

- a) In instances in which a State is conducting the competitive process, the State must follow the same policies and procedures it uses for procurement with non-Federal funds.
- b) All other non-Federal entities, including sub-recipients of a State (such as local areas), must use a competitive process based on the principles of competitive procurement in the Uniform Administrative Guidance set out at 2 CFR 200.318 through 200.326.
 1. These entities must first determine the nature of the procurement process to be used to comply with competitive procurement requirements. The procurement entity must prepare written documentation explaining the determination concerning the nature of the competitive process used to select a one-stop operator. The acceptable processes are:
 - (i) Procurement by sealed bids;
 - (ii) Procurement by competitive proposals; or
 - (iii) Procurement by sole source, permitted only if:
 - (1) Analysis of market conditions and other factors lead to a determination that it is necessary to use sole-source procurement because:
 - (A) There is only one entity that could serve as an operator; or
 - (B) Unusual and compelling urgency will not permit a delay resulting from competitive solicitation; or
 - (2) Results of the competition conducted by sealed bids or competitive proposals were determined to be inadequate.

In the event that sole source procurement is determined necessary and reasonable, written documentation must be prepared and maintained concerning the entire process of making such a selection. Sole source procurement must include appropriate conflict of interest policies and procedures, which conform to the specifications in 20 CFR 679.430 for demonstrating internal controls and preventing conflict of interest. 20 CFR 679.430 specifies that the organization must develop a written agreement with the Local Board and chief local elected official to clarify how the organization will carry out its responsibilities while demonstrating compliance with the WIOA and corresponding regulations, relevant Office of Management and Budget circulars, and the State's conflict of interest policy.

Workforce Arizona Council

ARIZONA@WORK Job Center Service Delivery System Policy

- (iv) A Local Board can be selected as a one-stop operator through sole source procurement only with agreement of the chief elected official in the local area and the Governor. The Local Board must establish sufficient conflict of interest policies and procedures and these must be approved by the Governor.
- c) A Local Board may enter into a contract with the successful bidder selected through the competitive procurement process. In addition to the Local Board's specific operating expectations of the One-Stop Operator, the contract must include the applicable Federal contract provisions contained in Appendix II to Part 200 Contract Provisions for Non-Federal Entity Contracts Under Federal Awards (2 CFR 200.326).

XII. One-Stop Infrastructure Costs: Infrastructure costs of one-stop centers are non-personnel costs that are necessary for the general operation of the one-stop center, including:

- a) Rental of the facilities;
- b) Utilities and maintenance;
- c) Equipment (including assessment-related products and assistive technology for individuals with disabilities); and
- d) Technology to facilitate access to the one-stop center, including technology used for the center's planning and outreach activities.
- e) In addition, Local Workforce Development Boards may consider common identifier costs as costs of one-stop infrastructure (20 CFR 678.700).

Each entity that carries out a program or activities in a local one-stop center must use a portion of the funds available for the program and activities to maintain the one-stop delivery system, including payment of the infrastructure costs of one-stop centers. These payments must be in accordance with 20 CFR 678.700; Federal cost principles, which require that all costs must be allowable, reasonable, necessary, and allocable to the program; and all other applicable legal requirements.

The Local Board, chief elected officials, and one-stop partners agree to amounts and methods of calculating amounts each partner will contribute for one-stop infrastructure funding, include the infrastructure funding terms in the MOU, and sign the MOU. The local one-stop funding mechanism must meet all of the following requirements:

- a) The infrastructure costs are funded through cash and fairly evaluated in-kind partner contributions and include any funding from philanthropic organizations or other private entities, or through other alternative financing options, to provide a stable and equitable funding stream for ongoing one-stop delivery system operations (20 CFR 678.715);
- b) Contributions must be negotiated between one-stop partners, chief elected officials, and the Local Board and the amount to be contributed must be included in the MOU;
- c) The one-stop partner program's proportionate share of funding must be calculated in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR part 200 based upon a reasonable cost allocation

Workforce Arizona Council

ARIZONA@WORK Job Center Service Delivery System Policy

methodology whereby infrastructure costs are charged to each partner in proportion to relative benefits received, and must be allowable, reasonable, necessary, and allocable;

- d) Partner shares must be periodically reviewed and reconciled against actual costs incurred, and adjusted to ensure that actual costs charged to any one-stop partners are proportionate and equitable to the benefit received by the one-stop partners and their respective programs or activities.

If after July 1, 2016, and each subsequent July 1st, the Local Board, chief elected officials, and one-stop partners do not reach consensus on methods of sufficiently funding local infrastructure through their local negotiations, then the Local Board must notify the Governor in writing. The Governor will allocate infrastructure costs through an alternative funding mechanism developed by the WAC. The allocation formula will take into account the number of one-stop centers in a local area, the population served by such centers, the services provided by such centers, and other factors relating to the performance of such centers that the WAC determines are appropriate and that are consistent with Federal cost principles (20 CFR 678.725 and WIOA sec. 121(h)(3)(B)).

In accordance with WIOA 121(h)(2)(E), if a one-stop partner wishes to appeal the Governor's determination regarding the one-stop partner's portion of funds to be provided for one-stop infrastructure costs, the one-stop partner may submit a written appeal to the State Workforce Development Board within 30 days of the Governor's determination. Appeals submitted after this time will not be considered.

The appeal may be made on the grounds that the Governor's determination is inconsistent with proportionate share requirements in 678.735(a), the cost contribution limitations in 678.735(b), or the cost contribution caps in 678.735(c). The appealing entity must explain why it believes the determination is contrary to the provisions of WIOA 121(h)(2)(E). No other cause for appeal will be considered. The State Workforce Development Board must consider and respond in writing to such an appeal within 30 days of its receipt.

XIII. Outreach and Branding: The workforce system outreach and branding is a shared state and local board responsibility. Local areas must use ARIZONA@WORK, the approved WAC branding, on all one-stop center signage, outreach materials, electronic medium, and affiliate site signage.

XIV. State Administrative Entity Responsibilities: The Arizona Department of Economic Security (DES) is the state administrative entity for WIOA Title I, III, and IV funds. The Arizona Department of Education (DOE) is the state administrative entity for WIOA Title II funds. The state administrative entities, under the direction of the governor and in collaboration with the Workforce Arizona Council (WAC), are responsible for implementing and monitoring compliance with the policies established by the WAC. DES and DOE will work collaboratively to fulfill the administrative responsibilities including, but not limited to, the following:

- a) Carry out policy requirements established by the WAC;
- b) Develop statewide guidance and procedures related to implementing WAC policy in coordination with the WAC Manager;
- c) Ensure each local board develops and maintains a single umbrella or individual partner MOU(s) that includes a working resource sharing agreement(s) and cost allocation plan(s);

Workforce Arizona Council

ARIZONA@WORK Job Center Service Delivery System Policy

- d) Negotiate statewide performance measures with the U.S. Department of Labor and U.S. Department of Education, as well as negotiating with Local Workforce Development Boards for local area performance measures;
- e) Assist the WAC in the review and recommended approval of required local area plans;
- f) Assist the WAC in the preparation of the Arizona workforce system plan for submission to the U.S. Department of Labor, and the U.S. Department of Education;
- g) Assist the WAC in the preparation of an annual report on the workforce system;
- h) Prepare and initiate grant agreements and contracts with the Local Workforce Development Boards and others as required;
- i) Monitor and evaluate the local workforce systems to ensure compliance with state and federal policies and directives, and submit comprehensive performance evaluations on each local area to WAC;
- j) Provide programmatic monitoring updates to the Workforce Arizona Council;
- k) Provide or contract for technical assistance and training to ensure performance measures and outcomes are met, a seamless delivery system is operational, and opportunities for continuous improvement are identified;
- l) In consultation with the WAC, require corrective action or impose sanctions on a local board or other WIOA sub-recipient for significant inability or failure to perform as required by WIOA regulations and/or WAC policies;
- m) Evaluate the effectiveness of the statewide workforce system and partner services located in One-Stop Centers in partnership with the WAC, based on the performance requirements established by the WAC;
- n) Report evaluation information to the WAC; and
- o) Compile and submit data and reports on partner program outcomes and performance as required by WAC, the Governor's Office, the U.S. Department of Labor, and the U.S. Department of Education.

CONTACT ENTITY: Inquiries regarding this policy should be directed to the Arizona Department of Economic Security at AZWIOAComments@azdes.gov or the Arizona State Director of Adult Education at Sheryl.Hart@azed.gov.