

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
GOVERNOR OF NORTH DAKOTA  
NORTH DAKOTA WORKFORCE DEVELOPMENT COUNCIL  
JOB SERVICE NORTH DAKOTA**

This Memorandum of Understanding (MOU) is entered into by The Governor of the State of North Dakota (Governor) Work Force Investment Act (WIA) Title I Grantee, the North Dakota Workforce Development Council (the Council) which serves as the State Workforce Investment Board and the Local Workforce Investment Board (WIB) for the state, as a single Workforce Investment Area under the Workforce Investment Act of 1998 and implementing regulations (the Act.) and Job Service North Dakota (Job Service) designated by the Governor as the WIA Title I Fiscal Agent, Grant Subrecipient and State Administrative Entity.

This MOU becomes effective on July 1, 2007, and will remain in effect until June 30, 2009. However, this MOU may be terminated at any time by any of the parties upon providing 120 days written notice to the other parties.

It is agreed and understood between the parties that the Governor shall:

1. Be responsible for designation of Local Workforce Investment Areas;
2. Appoint members of the North Dakota Workforce Development Council;
3. Annually establish goals for the North Dakota workforce development and workforce training system;
4. Designate the Workforce Investment Act Title I Fiscal Agent and Sub Recipient;
5. Approve budget for Governor's Workforce Investment Act Title I 10% State Set Asides. The approval will be provided only after the proposed budget has been reviewed by the Executive Committee of the North Dakota Workforce Development Council and comments of the Executive Committee are provided for the Governor's consideration. The budget will establish funding levels for required and allowable (including Governor's Set-aside funds) statewide activities;
6. Approve the use of the Governor's Set-aside funds not included in the budget. The approval will be provided only after the proposed budget has been reviewed by the Executive Committee of the North Dakota Workforce Development Council and comments of the Executive Committee are provided for the Governor's consideration;
7. If the state fails to meet levels of performance for two consecutive years, the

Governor shall take corrective actions, which may include development of a reorganization plan.

It is agreed and understood between the parties that the North Dakota Workforce Development Council shall:

1. Develop, in concert with all required partner programs as specified in the Act, the WIA Strategic Five-Year State Workforce Development Plan or Unified State Plan (that also includes the local area plan requirements) for utilization of the Title I adult, youth and dislocated worker funding allocation from the WIA. The plan will be developed in accordance with the Act and guidance from the United States Department of Labor. The Workforce Development Council based on a workforce needs assessment, developed by the sub recipient and accepted by the Council, will recommend prioritized plan goals, coordinating all WIA partner programs for the Governor's consideration;
2. Recommend goals for the development and continuous improvement of a statewide workforce delivery system to include development of linkages to assure coordination and nonduplication among programs and activities;
3. Recommend to the Governor designation of local workforce investment areas;
4. Provide recommendations for continuous improvement of comprehensive State workforce delivery system, including State adjusted levels of performance, to assess the effectiveness of workforce investment activities of the state;
5. Provide input and a final review of the annual report prepared on behalf of the Governor by the sub recipient prior to being submitted to the Secretary of Labor as required by the Act;
6. At the option of the Governor, assist in preparation of an annual "State of the Workforce Report";
7. Develop applications for incentive grant funding;
8. Provide, in partnership with the Governor, oversight of programs of youth activities, adult activities, dislocated worker activities and employment and training activities delivered through the One-Stop Delivery System;
9. Comment at least once annually on the reports required pursuant to Section 113 (b) (14) of the Carl D. Perkins Vocational and Applied Technology Education Act;
10. Retain the option to have performed performance audits for the Title I funded programs;
11. Submit projects to the governor for funding consideration and provide

recommendations to the Governor on the use of the Governor's Set Aside Funds; and

12. Complete any other requirements that the Governor may deem appropriate or necessary as coordination and special service activities.

It is agreed and understood between the parties that Job Service North Dakota shall:

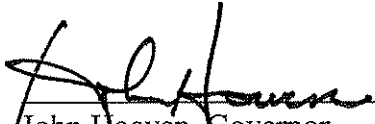
1. Serve as the single statewide WIA Title I, Workforce Investment Area (WIA) grant subrecipient designated by the Governor and carry out the responsibilities set forth below:
  - a. Receiving local grant funds and
  - b. Day-to-day administrative operations of local programs.
2. Serve as the state administrative entity and grant sub recipient designated by the Governor and carry out the responsibilities set forth below:
  - a. Prescribing and maintaining a Management Information System;
  - b. Making reports on operation and expenditures as required by the Secretary of Labor;
  - c. Establishing a system for the development and monitoring of contracts which contain standards for contractor accountability, obligations, and goals;
  - d. Monitoring the implementation of programs under the Act, including internal audits, at reasonable intervals;
  - e. Taking prompt and appropriate corrective action upon becoming aware of violations by any subgrantees, subcontractors, and other recipients;
  - f. Establishing and maintaining a grievance procedure for grievances or complaints about its programs and activities;
  - g. Establishing and maintaining an eligibility determination procedure for those enrolled in its programs, unless delegated to another entity under reasonable safeguards for erroneous determinations made with insufficient care;
  - h. Negotiating state Workforce Investment Act performance standards with the United States Department of Labor and as required by the Act, based on levels agreed to with the Workforce Development Council and the Governor; and
  - i. Serving as the depository and fiscal agent for all Workforce Investment Act Title I-B funds received by the state of North Dakota. The agency will use generally accepted accounting principles and standards in accounting for these funds.
3. Select service providers as sub grantees for the WIA Strategic Five-Year State Plan (State Plan) in accordance with the Act, Regulations and North Dakota Workforce Development Council Selection of Service Providers Policy.

4. Maintain the Eligible Training Provider List including the application process, development of the list, and providing customers access to the list.
5. Provide the youth program design framework component, which includes intake, assessment and development of the individual service strategy, and the summer employment opportunities element.
6. Develop, in concert with the North Dakota Workforce Development Council, the WIA Strategic Five-Year State Workforce Development Plan or Unified State Plan (that also includes the local area plan requirements) for utilization of the Title I adult, youth and dislocated worker funding allocation from the WIA. The plan will be developed in accordance with the Act and guidance from the United States Department of Labor. The Workforce Development Council based on a workforce needs assessment will prioritize plan goals, coordinating all WIA partner programs.
7. Perform the following duties and responsibilities as delegated by the Governor:
  - a. Submit approved State and Local Plan, developed by the Council and approved by the Governor, to the Secretary as required by the Act including any modifications thereof;
  - b. Allocate 85% of the Title I funds under the Act for a program year to the single Local Workforce Investment Area grant subrecipient within the state in accordance with policies and procedures of the Council;
  - c. Reserve 5% of Title I adult, youth and dislocated worker funds under the Act for a program year for statewide administration in accordance with the Act;
  - d. Administer, on behalf of the Governor, 10% of the Title I adult, youth and dislocated worker funds under the Act for a program year along with any carryover funds to be used for non-administrative statewide activities in accordance with the Act and approved budget including special projects, approved by the Governor. The 10% Funds will be available to the Governor to support required statewide services and activities as well as for other activities in accordance with the Act. The use of the Governor's 10% Reserve Funds will be reported to the North Dakota Workforce development Council during their regular meetings.
  - e. With input and review of the North Dakota Workforce Development Council, prepare the annual report to the Secretary of Labor as required by the Act;
  - f. Establish procedures that will minimize the time elapsing between the receipt of advanced funds and disbursement of funds under the Act;
  - g. Administer and ensure appropriate and sufficient procurement

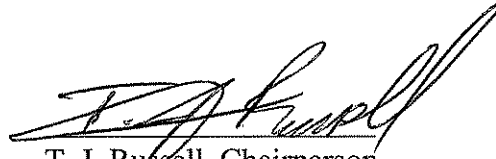
- systems, insurance coverage, fiscal control and accounting procedures, financial management and participant data systems, and record keeping and retention and reporting procedures as stipulated in the Act;
- h. Issue guidelines on and ensure that allowable costs for local area and statewide programs provided by grant subrecipient are assigned as required by the Act;
  - i. Maintain accountability for property in accordance with state procedures and the records retention requirements under the Act;
  - j. Shall perform, or have performed, at least once every two years, independent financial and compliance audits of the Title I funds received by the state and shall be responsible for assuring that audit requirements are met with respect to the Council, local area grant subrecipient, and other subrecipients receiving Title I funds throughout the state according to auditing standards as specified in the Act;
  - k. Submit the audit report(s), covering all Title I funds received by the state, to the cognizant federal audit agency or the Inspector General, of the United States Department of Labor, as appropriate, and to the Council, when completed;
  - l. Submit an audit resolution report within a timely period after the state submits the audit report, to the appropriate federal official documenting the Governor's disposition of the reported questioned costs as specified in the Act;
  - m. Be responsible for oversight of the local area grant subrecipient activities and state supported programs;
  - n. Hold subrecipients, including local area grant subrecipients, responsible for Workforce Investment Act funds received through the grant;
  - o. Provide to the North Dakota Workforce Development Council quarterly reports on program participants and program expenditures at a level of detail to track the level of service and priorities identified in the State's Strategic Plan.
  - p. Maintain a state level complaint review and grievance procedure and shall ensure the establishment of procedures at the local area grant subrecipient level for resolving any complaint alleging a violation of the Act, regulations, grant, or other agreements under the Act by employees, the local area grant subrecipient, and subrecipient involving Workforce Investment Act programs, and by complaints arising from actions taken by the Governor with respect to audit findings, investigations, or monitoring reports, such as, audit disallowances or imposition of sanctions;
  - q. Offer an opportunity for a hearing at the state level to those subrecipients adversely affected by the results of an investigation, audit, or monitoring activity; and
  - r. Be held responsible for all Workforce Investment Act funds allocated to the state of North Dakota unless otherwise released from liability from the

Secretary through a waiver or by agreement between the Governor and the local area grant subrecipient and as otherwise specified in the Act.


8. Completing and other requirements under the Act or as required for Compliance with the Act.

  
\_\_\_\_\_  
John Hoeven, Governor  
State of North Dakota

April 12, 2007  
Date

  
\_\_\_\_\_  
T. J. Russell, Chairperson  
North Dakota Workforce  
Development Council

4/9/07  
Date

  
\_\_\_\_\_  
Maren Daley, Executive Director  
Job Service North Dakota

4-3-07  
Date