Memorandum of Understanding

For ReEmployUSA Consortium

November 18, 2019

Agreement by each State to exist as a consortium for the purpose of developing, supporting and maintaining for joint use, an unemployment tax and benefits system.
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Article 1  Introduction

1.1  Purpose
The purpose of this Memorandum of Understanding (MoU) is to define the framework for the Parties to exist as a consortium, including how to govern the collaborative actions, governance, and cost sharing of member states that have deployed, or have yet to deploy, the ReEmployUSA Consortium system to effectively operate, support and maintain the ReEmployUSA Consortium system in support of the unemployment insurance program needs of all ReEmployUSA Consortium members.

This Memorandum of Understanding (MoU) supersedes all prior MoU agreements, is made and entered into as of December 2, 2019, by and between all states who are signatories to this agreement, and who upon signing the agreement each become a “Party” and collectively the “Parties” to this agreement.

1.2  Definitions
The following definitions are used within the context of this MoU:

- **ReEmployUSA Consortium**: Hereafter referred to as “Consortium”, is comprised of state agencies charged with the responsibility of administering the unemployment insurance benefits and tax programs for each of their states. The Consortium includes members who utilize the ReEmployUSA Consortium system to serve clients and members who have yet to deploy the ReEmployUSA Consortium system.

- **ReEmployUSA Consortium System**: Hereafter referred to as “system”, encompasses the computer application software designed to perform a group of coordinated functions, tasks, or activities necessary to support the unemployment insurance benefits and tax programs for each ReEmployUSA member state as well as the required supporting infrastructure owned jointly or provided by one or more ReEmployUSA Consortium members.

- **ReEmployUSA Consortium Members**: Hereafter referred to as “members”, encompasses the individual states who are signatories to this MoU with the ReEmployUSA Consortium.

- **Support Services**: Refers to those tasks or activities necessary to maintain the system, provide enhancements, as well as resolve defects and nonconformities related to the system. For those states not approved for deployment to a client-facing production environment, it also includes design, development, deployment of the UI-IT system for the state along with the migration and/or bridging of State prepared legacy data.

- **Service Provider(s)**: Hereafter referred to as “provider”, describes any entity that has entered into a contract or agreement with a member to provide goods or services for the benefit of the ReEmployUSA Consortium or state member thereof.

- **Standard Operating Procedures (SOP)**: Hereafter referred to as “procedures”, encompasses policies enacted by the Consortium, as well as procedures, guidelines and official training provided by the Consortium and maintained by its’ Project Management Office (PMO).

- **Baseline System**: Refers the application code, configuration settings, master data, and related infrastructure of the system and its derivatives as of the date of execution of this MoU.

- **Equitable**: Refers to a remedy of solution that is ethically or legally just and reasonable under the circumstances, that would generally be viewed by unconcerned parties as fair and impartial.
with all concerned parties treated in the same manner, but may or may not be wholly satisfactory to any or all the parties involved.

- **Onboarding**: Refers to the acceptance by members to admit a state requesting admittance to the ReEmployUSA Consortium.

- **Transition**: Refers to the initial deployment by a member state of the ReEmployUSA system, which includes state owned business data, to a client-facing production environment.

- **Consortium Executive Committee (CEC)**: An executive committee is a group of key managers that make decisions collectively about relevant subjects related to the organization’s proper functioning.

- **Project Management Office (PMO)**: A project management office (PMO) is defined as the department that improves and executes on project management through the standardization of processes.

- **Change Request (CR)**: A change request is a document containing a call for an adjustment of a system.

- **American Arbitration Association (AAA)** – Refers to a not-for-profit private provider of alternative dispute resolution services.

- **Federal Arbitration (FedArb)** – Refers to an organization that provides administered dispute resolutions.

- **Full-time equivalent (FTE)** - Refers to a unit that indicates the workload of an employed person.

### Article 2  Recitals

This MoU is made and entered into by and between the entities listed in the Signature & Agreement section of this document, each a “Party” and collectively, the “Parties”.

Whereas, the Parties each have a need for an integrated unemployment benefits and tax system (UI-IT);

Whereas, the Parties agree to secure and contribute human, technical and financial resources necessary to develop, support, and maintain a UI-IT system that can be used by the ReEmployUSA Consortium members or other interested U.S. jurisdictions;

Whereas, the Parties agree to collectively develop, support, and maintain a system to administer the unemployment insurance benefits and tax systems in their respective states, leveraging commonality to achieve to their individual and mutual benefit;

Whereas, the Parties, commit to complete the implementation, or having completed the implementation of the system, desire to continue to combine their funds to collectively operate, maintain and support such system;

Whereas, the Parties agree that the baseline system will be the version of the system being utilized by the Consortium, as of the date of this MoU;

Whereas, the Parties agree to operate, maintain and support, to the maximum extent possible, the form, structure, development and production environment of the current production system and environment of said system;
Whereas, the Parties agree that any deviation from the system for the purposes of accommodating any one member’s statutory law, case law, regulatory law, operational requirements, or immutable constraint, shall be the only deviation considered;

Whereas, the Parties agree that they will manage the effort related to new business processes, changes in organizational structure or cultural changes within their organization related to both the development and use of the system;

Whereas, the Parties agree that Standard Operating Procedures (SOP) will be developed and maintained by the PMO, and once approved by the CEC, will facilitate the collaborative and cooperative actions of both member and the Service Provider(s);

Whereas, each Party agreeing to and signing this MoU, is considered a member of the Consortium’s Governing Forums;

Whereas, each Party represents that its respective organization has the authority to enter into this MoU and has the full authority to obligate their organization financially in sufficient amount to plan, analyze, design, develop, test, deploy, and maintain the system as well as secure the continued receipt of application and technical support services;

Whereas, each Party understands that it is the responsibility of each member to abide by the terms, and enforce contracts and agreements between themselves and providers;

Whereas, each Party agrees to participate and utilize support services in an equitable manner in regards to other members;

Whereas, each Party understands that any deployment to a client-facing production environment requires that acceptance criteria mutually agreed upon by all members are met, while the initial deployment to a client-facing production environment by a member requires agreement by the ReEmployUSA Consortium Executive Committee (CEC) that mutually agreed upon onboarding criteria have been met;

Therefore, in consideration of the mutual promises contained herein, the Parties agree to enter into this MoU in accordance with the following terms.

Article 3  Representation and Authority
This MoU establishes the ReEmployUSA Consortium, hereafter “Consortium.” Within its highest governing body and subsidiary bodies, the Consortium shall consist of one (1) voting representative for each signatory to this agreement.

The Parties each represent that their respective organizations have the authority to enter into this MoU and have the full authority to obligate their departments financially and in sufficient amount to develop, support, and maintain the UI-IT.

Article 4  Scope of Understanding
Through its labors, the Consortium will develop, support and maintain an integrated unemployment benefits and tax (UI-IT) system that will be used to serve clients and comply with applicable case law, statutory law, and regulatory law of each Party that is a member of the Consortium.
The scope of the UI-IT system will consist of a core system where common elements for each state will exist, function and driven by rules engine(s) and a region to handle state-specific components for those state requirements that are not common in nature. These state-specific components will be connected and fully functional with the core system.

The UI-IT system will be hosted in a Cloud environment. Each member will be responsible for providing support and maintenance needed to interface with any out-of-scope systems, develop enhancements for the UI-IT system, and support clients utilizing the UI-IT system.

Where agreed upon by majority vote by the membership, provider(s) procured by one or more members will be utilized to provide common equipment, development and support services, with costs distributed equitably among members.

Parties agree to utilize the “ReEmployUSA” brand, or approved derivatives of that brand specific to each state when marketing the UI-IT. Parties agree to use reasonable efforts to prevent any other person from infringing on the “ReEmployUSA” brand. Parties are not permitted to license or market the brand without the express permission of all members of the Consortium. Each Party may market its approved derivation of the brand without restriction as long as such marketing does not impinge the “ReEmployUSA” brand through false or misleading statements regarding Consortium membership, system capabilities, or future enhancements.

4.1 Member Responsibilities

Parties agree that they will engage in the following activities both prior to final deployment of the system to production environment and in support of such an environment once deployed:

- **Plan:** Identify and provide the human and technical resource requirements, necessary for a member to participate with provider(s) in the support of the system. Establish state-specific quality criteria that covers a provider(s) performance, delivery quality, and progress reporting requirements.

- **Analyze:** Gathering and interpreting requirements, diagnosing gaps in the system to support business operations, as well as comply with case law, statutory and regulatory law, or immutable constraint, necessary to providing unemployment tax and benefit support for their clients, and then recommending improvements and enhancements with supporting documentation.

- **Design:** For each requirement, establishing acceptance criteria, approving the allocation of member resources necessary for delivery of each solution, and collaborating with provider(s) in detailing the impact to the system and other members.

- **Develop:** Establishing delivery priorities for each requirement, collaborating with provider(s) on delivery planning, acceptance, and for states not approved for deployment to a client-facing production environment, joint development and data migration activities.

- **Test:** Certify that acceptance and quality criteria have been met for delivered requirements.

- **Deploy:** Implement changes within the member’s organization to support both the deployment and ongoing support of the system, collaborate with one or more providers in cutover planning and execution.

- **Maintenance:** Provide services to support the operation of a member’s legacy environments until the UI-IT system is deployed, as well as those infrastructure components unique to the member
including providing end-user desktop support focused on the operation of desktop computers, as well as the connectivity and use of the member’s infrastructure.

- **Support**: Provide services related to delivering client facing technical support for the system, which includes communicating with clients, documentation of defects in compliance with SOPs, and assisting provider(s) with the verification, analysis/design, and resolution determination of defects impacting the system.

- **Business Continuity**: Plan for, and develop, the resources (human, technical and financial) and capabilities to overcome unforeseen deficiencies or outages of the system that impact clients.

- **Organizational Change**: Based on the impact of the system to existing business processes, develop and execute a plan to design and adopt new processes, provide training to member’s employees and contractors, communicate progress and impact to stakeholders, and make available the resources necessary for the development and on-going support of the system.

### 4.2 Support Services

Parties agree that the following resources and services constitute Support Services, which their state will avail of, and are necessary for them to support the development, maintenance and operation of the system:

- **Infrastructure and Platform Support**: This includes the administration and maintenance of the infrastructure and related services owned by the Parties either collectively or individually that are necessary for the operation of the system.

- **Security Infrastructure Support**: This includes the administration and related services utilized by the system to provide security and maintain compliance with federal, state and local application, infrastructure, and physical security requirements.

- **Application Support**: This includes the programming necessary to resolve defects, ad-hoc business requests, deliver change requests, application monitoring, configuration management and access control with respect to the business application in production environments, as well as those non-production environments necessary to support such activities.

Additionally, the Parties agree that the Consortium, through appropriate representation and financial support from each member, will offer Project Management Office (PMO) services necessary to facilitate the collaborative and cooperative actions amongst Parties to utilize the governance model, implement SOP, and receive Support Services that meet the needs of each Party individually and all Parties collectively.

### 4.3 Procurement

The Parties agree that they may be required to procure services or technology for their benefit, or the benefit of other members or organizations utilizing or supporting the system. Additionally, other members or providers may procure services or technology that benefits the Parties. The Party agrees that if authorized, any component procured will be identical in regards to specification, configuration, and warranty to those items procured by the other members or providers.

Parties that enter into this MoU, while it is in effect, understand that they will be offered the opportunity to review and evaluate the scope of Production Support Services, including contracts and agreements originating with any Party to this MoU. The scope of those contracts and agreements will define the
framework for the Party to participate in Production Support Services until procurements are completed on their behalf.

4.3.1 Privity of Contracts
Notwithstanding the state procurement rules, when required, each Party agrees that it shall enter into contract(s) directly with providers selected and approved by the Consortium, clearly specifying in its contract the Production Support Services deemed necessary by that Party. To that extent, each Party acknowledges and agrees to complete ownership of its contracts with the providers including the commitment and obligation of finances to secure the services, contractual risks and liabilities, following their state procurement laws and regulations.

The Parties acknowledge that they are solely responsible for the performance of providers and vendors with whom they have executed contracts on behalf of the Consortium, unless they have named, in the contract, members or providers as an intended beneficiary that are expressly benefited in the contract. The Parties understand that they cannot confer rights or impose obligations upon any person who is not a party to the contract.

4.3.2 Consortium Requirements
The Parties agree that the Consortium shall be responsible for negotiating the procurement of Support Services described within the scope of this MoU, through the state procurement process of the state leading the procurement. The Consortium shall jointly select one or more providers that will comprehensively offer the described Support Services for the Consortium. Procurements negotiated by the Consortium are intended to leverage economies of scale for products and services that are commonly and consistently needed by all Parties, and may include additional options that Parties may include in state-specific addendums for products and services outside the scope needed by all Parties.

Within the scope of providing and receiving Production Support Services, the Parties agree that:

- Terms and conditions related to procurements for products and services that are negotiated by the Consortium, applicable to all members, require approval of the CEC prior to the completion of any procurement, and cannot be subsequently altered by the Party. Additional terms and conditions negotiated by the Party related to a procurement negotiated by the Consortium cannot replace previously negotiated terms and conditions and must be applicable to only the Party, and must be disclosed to the Consortium.
- Where procurement is conducted by a member or provider, for the benefit of another member, the beneficiary must authorize procurement in advance and is obligated to reimburse the procuring member or provider for the portion of the product or service intended for the benefit of the beneficiary.
- Where procurement is required by the Party as part of Consortium negotiated terms and conditions, the Party must complete the procurement within a time period mutually agreed upon by the CEC.
- Where procurement is conducted by a member or provider, for the benefit of that member, the member shall take responsibility of all costs and adhere to the consortium requirements as described in this section.
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- Where procurement is conducted by the Party for the benefit of a member or service provider, terms and conditions, time limits, reimbursement agreements, and authorizations must be received from those benefiting from the procurement before the procurement is complete.

Each Party acknowledges that documentation related to the procurement of all Consortium requirements, including subsequent reimbursements, must be maintained by the Party completing the procurement, with copies provided to the PMO within thirty (30) days of the document date.

4.3.3 State Specific Requirements
Each Party recognizes that it may require specific products, services and resources above and beyond what is provided by procurements by the Consortium or its providers to address business, technical, or organizational needs that are unique to that Party and are not required by other Parties to this MoU. To that extent, the Party with such a need may, as deemed necessary and upon approval by the CEC, choose to leverage its membership in the Consortium to procure and receive such state-specific products, services and resources.

Each Party agrees that products, services, and resources procured for state specific requirements will not be used to replace Consortium provided products, services or resources or result in additional impact directly or indirectly to members without approval on a case-by-case basis by the CEC.

4.3.4 Exclusions
Each Party recognizes that it may require products, services and resources, outside the scope of Support Services that are necessary for the Party to support the UI-IT system in their state.

Each Party recognizes that the Consortium is not responsible for procuring or making available such products, services and resources within the scope of this MoU, and agrees to completely assume the responsibility, risk of business disruption and costs associated with securing such products, services and resources in a manner that does not unduly impact the operations and maintenance of the system, or receipt of Support Services, by other Parties to this MoU.

4.3.5 Related Agreements
Each Party recognizes that there may exist within the Consortium, related contracts or agreements which may be impacted by the performance of Parties to this agreement. Such agreements and each Parties performance under those contracts and agreements must be disclosed to the CEC.

Parties agree that once approved by the CEC, related contracts, agreements and SOP will be fully incorporated herein, will be available online for all members on the Consortium WIKI, hosted by the Information Technology Support Center (ITSC), and if any member has objections, or if there are changes, the CEC will convene to approve or resolve. The WIKI will be located at:


Parties understand that performance expectations as indicated in Section 7.1 as well as related contracts and Performance Standards Agreement will be incorporated in the Consortium’s SOP. Each Party will be expected to conform to SOP, unless there is a direct conflict with the terms of this MoU. Notwithstanding this, Parties agree that nothing in this MOU shall be interpreted as limiting, superseding or otherwise affecting either the participating state’s normal operations or its decisions in carrying out its statutory or regulatory duties.
Article 5  Organization Structure, Roles and Responsibilities

5.1  Executive Committee

Parties agree to support an Executive Committee (CEC) as the governing body with the highest level of decision-making authority, whose collective responsibility and authority is to provide the strategic direction, authorizing of subsidiary boards, selection of the Project Management Office (PMO), representing the interests of their states within the Consortium, as well as be the final arbiter of disputes within the Consortium.

Each Party agrees to designate one (1) representative who represents the interests of their state and provides leadership to the personnel from their state supporting the system. The representative must be empowered to create obligations and commitments on behalf of their state, manage state resources contributing to Production Support Services, represent the Consortium to third parties within their state, represent their state with Federal, State, and non-profit entities with a vested interest in the Consortium, and manage relationships within their state to secure continued availability of resources (human, technical, financial) necessary for participation in the Consortium.

It is understood by each Party, that the representative shall be designated, in writing, by the Chief Executive of the agency, department, or commission who has the authority to empower a representative to represent their interests. It is also understood that the representative cannot represent their state on subsidiary boards within the Consortium. In addition, the Parties agree that the representative’s responsibilities to the CEC will be given sufficient priority to not result in a reduction of services to clients or an adverse financial impact to other Parties to this MoU and that all decisions, approvals, and appointments made by the representative pertaining to their responsibilities to the Consortium will be in writing and made available to the PMO for archival and verification purposes.

Each party agrees that they must notify the CEC within seven (7) calendar days of any vacancy in their representation on a governing forum. Each party agrees to fill such vacancies within thirty (30) calendar days. Parties agree that when a vacancy exists on a governing forum, and a unanimous vote is required, that members with vacancies will be bound by the vote of those represented. When a unanimous vote is not required, Parties agree that their vacancy represents an abstention.

Parties commit to schedule and attend one remote meeting of the CEC each month to assess performance on the strategic objectives and arbitrate disputes within the Consortium. At least once per quarter, Parties agree the meeting of the CEC will include the approval of future obligations and commitments related to each member, a review of the performance of providers, as well as an evaluation of the performance of the subsidiary boards and the current financial condition of the Consortium.

Parties acknowledge that CEC meeting agendas will be disseminated to consortium members in accordance with the PMO Charter by the PMO at least forty-eight (48) hours in advance and shall be posted on a member accessible website. Minutes of meetings shall be kept and archived for members to access and public access will not be available. The first agenda item of each meeting shall include review and approval of the prior meeting’s minutes, which shall be approved by majority vote.

Each Party recognizes that the Consortium maintains an organizational structure that requires representation by members and providers in order to control the consumption of Support Services and to provide governance to the Consortium.
Parties to this MoU recognize that the organizational structure of the Consortium is divided into two parts. The first are those boards and committees, hereafter referred to as “Governing Forums” that exist to make decisions on strategic direction, governance, change, risk, finances, and influence project and task management for effective operation of the Consortium. The second are those offices and groups responsible for project management as well as task management and execution related to ongoing system operations as well as the execution of strategic directions related to the system provided by the Governing Forums. The Governing forums are Change Control Board, Risk Management Board, and Financial Expenditures Board.

5.1.1 Governing Forums
Each Party agrees that participation in the Governing Forums is essential for the operation of the Consortium and necessary for the Governing Forums to organize themselves effectively to discharge their functions. Parties agree that they may be considered to be in violation of their performance obligations per Section 7.2.

Non-Performance, if state’s representatives miss two consecutive meetings without notice or compelling reasons or fulfill their responsibilities as members of a Governing Forum.

5.1.2 Change Control Board
Parties agree to support as a governing body the Change Control Board (CCB) consisting of members and those providers contracted to provide Support Services for the system, whose collective responsibility and authority is to review, evaluate and approve functional and technical change requests (CRs) for the system. It is understood by Parties, that the CEC defines the collective scope of responsibility and authority for the CCB and establishes financial and other limits within which the CCB can act without further CEC review and approval. Parties agree that the voting representatives of the CCB are empowered by their organization with the authority to make decisions on all matters coming before the CCB within those limits.

Parties agree that the CCB is comprised of one (1) voting representative for each member and provider. Parties also agree that final approval of CRs is only required by impacted members and providers, but participation in reviews and evaluations are the responsibility of all representatives. In support of the CCB, each Party agrees that the CEC representative for their state will designate one (1) primary
representative and at least one (1) backup representative to the CCB. The Parties agree that the representative’s responsibilities to the CCB will take priority over their responsibilities outside of the Consortium.

Parties acknowledge that the Consortium has established and documented as part of the SOP a change management process which all members and providers are required to support and follow in order to participate or provide service to the Consortium. Each Party further acknowledges that essential to this process is that ownership and responsibility for approval of CRs can only reside with a member.

Parties agree that the PMO is responsible for monitoring and reporting on the performance of the CCB to the CEC, and may at its own discretion, or upon request by a voting representative, schedule a formal CCB meeting which all voting members are required to attend to address departures from SOP. It is agreed by all Parties that when disposition of CRs by the CCB is not possible, a risk item will be recorded, and when approval is unattainable or outside of established limits, an escalation to the CEC will occur.

5.1.3 Risk Management Board
Parties agree to support the Risk Management Board (RMB) as a governing body consisting of members and those providers contracted to provide Support Services, whose collective responsibility and authority is to review and approve the Consortium’s actions in response to documented risk items. The items include issues whose impact is not fully realized and risks that have the potential to affect the strategic direction, the delivery of Support Services, or the ongoing operations of the Consortium.

Each Party acknowledges that their state is permitted one (1) vote on decisions pertaining to risk items and that the CEC representative for their state will designate one (1) primary representative and at least one (1) backup representative to the RMB. Each Party agrees that it is the responsibility of its primary representative to report progress and ensure that their state’s enacting mitigation, contingency, or avoidance plans for a risk item is given priority in conjunction with other responsibilities outside of the Consortium.

Parties also acknowledge that the Consortium has established and documented as part of the SOP a risk management process which all members and providers are required to support and follow in order to participate or provide service to the Consortium. As part of this process, each Party understands that member or provider(s) representation is limited to those risk items where such members or provider(s) are impacted by, or necessary for the resolution of, individual risk items.

Parties commit to attend remotely RMB meetings scheduled by the PMO, where such meetings’ frequency is determined by the Consortium and shall not be less than once per month. Parties agree that the PMO is responsible for monitoring and reporting on the performance of the RMB to the CEC. It is further agreed by all Parties that where agreement by the RMB on either the impact, or treatment of a risk item is not possible, the risk item will be escalated by the PMO to the CEC for disposition.

5.1.4 Financial Expenditures Board
Parties agree to support a Financial Expenditures Board (FEB) comprised of one (1) voting representative from each member as a governing body, whose responsibility shall be to represent their state internally and to the Consortium in all financial aspects including, but not limited to, budgets, obligation and appropriation of funds, payments to providers and members, financial contingency planning, provider agreements, financial reporting and the allocation of costs for Support Services between members. The
Parties agree that the voting representative’s responsibilities to the FEB will be given sufficient priority to not result in an adverse financial impact to other parties to this MOU or a failure to fulfill their states obligations related to this MOU.

In support of the FEB, each Party agrees that their state is permitted one (1) vote on decisions pertaining to financial obligations, planning, and agreements affecting collectively themselves and other members. In addition, each Party understands that individuals other than the designated voting representative may participate in FEB related activities but will not be permitted to represent the state in the voting process. It is also understood by Parties, that the CEC defines the collective scope of responsibility and authority for the FEB and establishes the limits within which the FEB can act without further CEC review and approval. Each Party commits to develop mitigation and contingency plans where approval and authorization policies within their state will create constraints that would prevent their voting representative, or constrain other members, from participating in the FEB within established financial limits. Parties agree that decisions by the voting representatives of the FEB are authorized by the state for all matters coming before the FEB within those limits.

Each party commits to designate one (1) representative to support and fulfill the role of their voting representative. The representative will be responsible for providing the PMO details related to the financial aspects of transactions and agreements between their state and members or providers upon request, at least quarterly. The PMO will develop the quarterly forecasts with the help of the FEB representatives.

Parties commit to attend remotely FEB meetings scheduled by the PMO, where such meetings frequency is determined by the Consortium and shall not be less than once per quarter. Parties agree that at least once per quarter, they will meet to review the future obligations and financial commitments of their state, agree on the equitable allocation of costs for Production Support Services between members, and authorize the submission by the PMO of those items requiring CEC approval. Parties agree that the PMO will be responsible for monitoring the overall financial aspects of the Consortium, monitoring and reporting on the performance of the FEB to the CEC, as well as submitting to the CEC items outside of authority granted by the CEC to the FEB.

5.2 Task and Project Management
Each state agrees to commit state staff resource(s) for project management as well as quality and task management and execution as part of their participation in the Consortium. Parties commit to provide individuals with the availability, capabilities and skills necessary to support their participation in the Consortium as well as plan and execute on the strategic directions provided by the Governing Forums.

5.2.1 Project Management
In accordance with the PMO Charter, Parties understand that the PMO is established by the CEC for the development and enforcement of policies and SOPs related to the management of Production Support Services, the facilitator of communications between the Governing Forums, the arbitrator of disputes related to Support Services, and as the group responsible for monitoring members and providers and reporting on, and documenting, performance and results to the Governing Forums as directed by the CEC or as required in the SOPs. Parties agree that that PMO will publish approved SOP online on the Consortium WIKI. Parties agree that the monitoring, reporting and documenting of performance of
providers by the PMO does not limit the rights, responsibilities, or obligations of each member as described in Section 4.3.1, Privity of Contracts.

The PMO lead(s) shall be selected by the CEC in accordance with the Decision Making Framework, as established in section 5.3 of this MoU. Information related to the selection process must be disseminated to the CEC members at least ten (10) business days prior to the scheduled vote.

The Parties recognize that the PMO is responsible for providing equitable guidance to members and providers in support of the strategic direction of the Consortium and that the PMO consists of one or more individuals with one (1) individual identified as the lead, with a designated primary contact for each service provided by the PMO. Parties understand that they may be required to provide a temporary substitute, subject to approval by the CEC, for individuals who are part of the PMO, or be asked by the CEC to provide an individual with specific capabilities to supplement the PMO to provide support to all members. Parties agree to equitably share costs associated with the staffing and operation of the Consortium PMO.

Each Party agrees to designate one (1) individual as their Project Manager, with the responsibility for facilitating communication with, as well as planning, directing, and coordinating the utilization of state personnel and technical resources to fulfill their responsibilities as indicated in Article 4: Scope of Understanding. In addition to their responsibilities related to their state, Parties agree that their Project Manager will contribute to the development, and partner with the PMO, in the adoption of policies and SOPs for the Consortium.

Parties agree that the Project Manager will be responsible for reporting on their state’s performance to the CEC, the PMO, and internally within their state on matters related to their responsibilities in this MoU. In addition, each Party agrees that it is the responsibility of the Project Manager to ensure that items brought before a Governing Forum by their state qualify and meets the specifications for such items to be included for consideration by those boards and committees.

In addition, Parties agree that the Project Manager will give sufficient priority to their responsibilities with the Consortium to not result in an adverse financial impact to other parties to this MOU or a failure to fulfill their obligations related to this MOU. They will be responsible for enforcing, or facilitating the enforcement of, state contracts executed on behalf of the Consortium, and will be required to attend all Governing Forum and PMO endorsed project status meetings. Each Party agrees that the Project Manager may represent the member on one or more of the boards as long as such representation does not conflict with their ability to meet their other responsibilities or create a conflict of interest within the Consortium.

Parties accept that they will be required to utilize the tools and conform to the processes defined by the Consortium for management of projects, planning, quality, risks, requirements, tasks, documents and communications. In addition, Parties agree that it is their responsibility to ensure that their staff has the support and receives the training necessary to receive and participate in Support Services and to not unduly impede other members in their utilization of Support Services from providers.

Finally, Parties agree that with the assistance and guidance of the PMO, the Project Managers representing each member and those representing the providers of Production Support Services will collaborate and cooperate in the planning and delivery of services in a balanced and equitable manner.
5.2.2 State Business Support
Each Party agrees to the creation of a Business Support Team who will be responsible for meeting the obligations of the member in their participation and utilization of Application Support that is included in Support Services.

In addition, each Party agrees to identify expert resources within their State, with knowledge about the processes and procedures utilized by the State, to support their unemployment tax and benefits programs, and whose knowledge can be leveraged by their Business Support team in performance of their duties. The Parties understand that the breadth of knowledge for these experts must cover the functionality of the system in its entirety.

In addition, each Party agrees to designate at least one (1) individual as the Business Support Lead, who is authorized to represent the state for all issues related to application functionality and business operations to the Consortium. The Parties agree that the Business Support Lead(s) will sufficiently prioritize their responsibilities to not result in a reduction of services to clients or an adverse financial impact to any Party to this MOU.

Each Party agrees to contribute knowledge related to the administration as well as the case, statutory and regulatory law related to unemployment tax and benefits programs for the benefit of the Consortium. Each Party recognizes that their business team will be asked to assist members and providers in the design and evaluation of solutions to support the unemployment tax and benefits functionality in the system.

5.2.3 State Information Technology Support
Each Party agrees to designate a technical team with technical knowledge and the capabilities required to support any state needs outside of the Consortium system. Parties that have yet to deploy to a client-facing production environment agree to include in this team individuals with technical knowledge about the state’s existing unemployment tax and benefits data, applications, interfaces, supporting infrastructure, as well as security and connectivity to the state’s network. Parties agree that they are responsible for the security and connectivity of the system to the state’s network.

Each Party agrees to designate at least one (1) individual as the Technical Support Lead, who is authorized to represent the state for all issues related to the technical infrastructure, application data, and security management, disaster recovery, cut-over from legacy, and deployments to the Consortium system.

Parties, that have partly deployed or yet to deploy the UI-IT system, accept that they are required to dedicate resources to support and facilitate the secure migration and/or bridging of business data from their legacy unemployment tax and benefits application in support of the design, development, testing and deployment of the UI-IT system for their state.

Each Party agrees to utilize those infrastructure components related to security and data management which are included as part of the UI-IT system, but acknowledge that each Party is ultimately responsible for the quality, as well as access, to their business data and must maintain security controls sufficient to conform to the following:

• SSA Electronic Information Security found at: https://www.ssa.gov/dataexchange/support.html

Parties are required to disclose state-specific requirements related to the deployment approval of the system and agree to adapt those requirements, to the extent allowable, in order to support uniform SOPs, applied equitably, to all Parties of this MoU. Parties also understand that they will be required to provide knowledge transfer to providers for those aspects of the infrastructure considered part of the UI-IT system, which will transfer from state to provider support upon production deployment. In addition, Parties must provide the state staff, as required, based on the project timeline and support needs, required training, or knowledge transfer, necessary for Support Services.

In the event that Parties utilize state-supplied virtual or physical infrastructure to support activities related to their state’s responsibilities included in this MoU, the Parties agree that their state will be solely responsible for the availability, accessibility, costs, and maintenance associated with the state-supplied infrastructure. The Parties also confirm that the use of their state-supplied virtual or physical infrastructure will not increase the financial commitments of members or providers without their written consent.

Parties understand that they will be responsible for providing support and maintenance related to devices such as desktop computers, laptop computers, peripherals, and personal digital assistants for staff and providers located at their state supplied facilities or who are located remotely and authorized to connect to their state supplied virtual or physical infrastructure. Parties agree that this support and maintenance extends to ensuring the security of all such devices.

5.3 Decision Making Framework
Parties acknowledge and agree that this MoU establishes the following key principles to facilitate decision making on matters related to Development Support Services:

• Decision making by the CEC shall be based on a simple majority vote, with each member having one (1) and no more than one (1) vote through its representative.
• CEC approvals are considered those instances where a majority votes to approve a decision, and a decision is considered final once all representatives required, based on this MoU or the SOPs, to participate in the decision have voted. Subsequently, where decisions were not approved, information supporting the decision must be revised and a new vote is required. If a decision cannot be revised, the decision may be dropped or abandoned. Parties agree that members and provider(s) impacted by a decision being voted upon by a Governing Forum will be given the opportunity to submit their vote in accordance with this MoU or the SOPs, with all members regardless of impact are able to review and comment on those decisions.
• Decision making by each of the subsidiary governing boards shall be based on a unanimous vote for impacted participants, unless such a vote is intended to be non-binding.
• Each Governing Forum shall only conduct business if a majority of the voting membership is in attendance at the meeting, either in person or remotely.
• Decisions by the Governing Forums require substantiating documentation in order to be considered valid and binding; with responsibility residing with each Party for ensuring that such documentation is maintained for decisions impacting themselves.
• Decisions by members and providers related to the approval of project artifacts or acceptance of delivered requirements and contracted deliverables, outside the purview of the Governing
Forums, require substantiating documentation to be considered valid and binding, with responsibility for that documentation residing with the Party who initiates the request for approval or acceptance.

- Conflicts arising from the Governing Forum’s decision-making process will be addressed according to Section 5.4.
- The Consortium will make available, and require the use of, those voting mechanisms it provides in accordance with the SOPs, and each Party will provide to the PMO substantiating documentation supporting their decisions where voting mechanisms are not available from the Consortium.
- CRs must be documented utilizing the tools provided by the Consortium and approved by members for any change to the system, as well as changes in scope, cost, or duration related to contracts or agreements with members or providers.
- Risk items must be documented utilizing the tools provided by the Consortium and treatments approved by members when an impact to the scope, cost, quality, stakeholders, or schedule for members related to Support Services is realized or has the potential to impact the strategic direction, the delivery of Support services, or the ongoing operations of the Consortium.
- Decisions made by the CEC, FEB, or by consensus among the project management team must be recorded in accordance with the SOPs, utilizing the tools provided by the Consortium.
- All votes, decisions, and actions of the CEC must be recorded and captured in the minutes of the meeting in which the vote, decision, and action occurred.

The Parties acknowledge and agree that decisions of the CEC, or those made within authority granted by the CEC, are final and binding on all Parties to this MoU.

5.4 Conflict Resolution and Escalations

Parties recognize that there may be decisions, which as an exception, may not garner consensus among members for a decision to be made, and therefore, remain undecided even after members of the respective subsidiary Governing Forums have acted.

5.4.1 Conflict Resolution Process

The Parties accept the following as the process for resolving conflicts and escalations to the CEC:

1. Differing positions related to a conflict must be documented by each Party to the conflict, describe both the benefits and consequences related to the position, and the conflict must be between two or more members.
2. Due to privity regarding contracts (Section 4.3.1), the conflict resolution process does not apply in conflicts pertaining to performance under a contract with a provider.
3. Documentation related to each position must be provided to the PMO for review prior to presentation to the CEC. The PMO may request that the Parties provide additional details for clarifications. It is understood that the PMO shall not modify or redact a Party’s provided documentation prior to sharing the documentation with the CEC.
4. Upon review, for conflicts not originating with the CEC, the PMO will determine if a decision is within the limits of the authority granted to the PMO by the CEC, and if so, shall issue a ruling. A ruling by the PMO may be appealed by any party to the CEC. A party must notify the CEC in writing of its intent to appeal within ten (10) business days. If a decision is not within
the limits of the authority of the PMO, granted to the PMO by the CEC, the PMO will escalate the conflict to the CEC.

5. The CEC shall review conflicts within thirty (30) days of the conflict being brought to its attention. Each Party agrees that its CEC representative will examine information pertaining to conflicts brought before the CEC in advance of any discussion held for the purpose of arriving at a resolution.

6. Each Party to the conflict will be invited and required to present their position either in person or remotely to the CEC. Failure to accept an invitation, or present their position, can result in a summary ruling against the Party. An aggrieved Party’s request to vacate a summary ruling against it shall be added to the next scheduled CEC meeting agenda following the Party’s request. A summary ruling may be vacated by majority vote of the CEC upon good cause shown.

7. Each Party may present relevant evidence to the conflict in the form of testimony by witnesses, affidavits, or documentary evidence. Relevant audio, video, or photographic evidence may be presented. Reliable hearsay may be considered by the CEC in determining good cause shown.

8. Parties agree that if the CEC determines, by majority vote, that resolution of the conflict requires an independent assessment by subject matter experts to allow for an informed and equitable decision, they shall direct the PMO to define the scope of work, provide recommendations regarding procurement, solicit experts, draft initial recommendations for selection of subject matter experts, and facilitate the evaluation of the experts qualifications by the CEC prior to engaging those experts. This process includes the following conditions:
   a. Engagements of subject matter experts who will provide recommendations to resolve a conflict require the unanimous consent of all Parties to the conflict.
   b. A summary of the proposed expert’s knowledge, education, training, and experience will be provided to the CEC for their consideration and approval prior to permitting an expert to offer an opinion on a disputed matter.
   c. All evidence and associated documentation intended for review by experts will be submitted to the CEC by the Parties in conflict and finalized by majority vote of the CEC prior to submission to an expert.
   d. Each Party to a conflict will be permitted a full and fair opportunity to inspect all materials, affidavits, and accompanying documentation that an expert will review prior to submission.
   e. Once engaged, the CEC, PMO and all Parties to the conflict will cooperate with the subject matter experts in their investigation, with all Parties to the conflict sharing equally in the costs of the investigation.
   f. Once the independent assessment has been completed and provided to the CEC, recommendations by the experts can be affirmed and considered as the resolution for the conflict upon approval by the CEC, or other resolution may be provided within thirty (30) days. Where recommendations result in changes to the strategic direction or additional financial impact to members outside of the Parties in conflict, acceptances of those recommendations as the resolution of the conflict will require majority approval by the CEC.
g. The expense associated with the independent assessment will be shared equally among member states.

9. Parties agree that if the CEC cannot arrive at a resolution in instances where equal votes are cast for and against a conflict brought to the CEC for consideration and approval, that each CEC representative will obtain direction from an advisory standpoint regarding a resolution from the Chief Executive of the agency, department, or commission who granted the authority to the CEC representative to represent their interests.

10. At any point in time, the CEC may agree to non-binding mediation before a neutral third party as outlined in Section 5.4.2, or provide notice of intent to withdraw from the Consortium.

5.4.2 Non-Binding Mediation

Parties agree that to resolve a conflict, at any point, they may engage in non-binding mediation before a neutral third party. Parties agree that mediation is intended to lead to an agreed resolution of the conflict, with the understanding that any recommendations are non-binding upon the Parties. The Parties may agree to a retired federal judge or magistrate, who did not serve in the district of the parties to the dispute, to serve as the neutral third-party mediator.

Parties agree that the purpose of the mediator is to provide nonbinding findings and recommendations and is designed to expose the disputing parties to an independent view of the dispute.

Parties also acknowledge that if they cannot agree to a particular mediator, they may agree to allow the PMO or an alternative dispute resolution organization such as AAA or FedArb to select a retired federal judge or magistrate to serve as mediator. Each party agrees to submit the names of up to two potential mediators, who are retired federal judges or magistrates, who did not serve in the district of any party to the dispute, to the PMO or alternative dispute resolution organization. The parties may object to any proposed mediator whose qualifications, impartiality or independence is in doubt. Parties understand that mediation will not take place if all parties to the dispute do not agree to mediation or if all parties cannot agree upon a particular mediator.

The parties agree that the costs of mediation will be divided equally between all parties to the mediation.

Article 6 Financial Commitment

Parties agree that membership in the Consortium requires a financial commitment on the part of each member. Parties understand that this commitment includes both those costs related to the utilization of state resources and the costs related to use and management of resources required to develop and maintain the UI-IT system.

Each Party agrees that costs are defined as components, and the total cost for operations and maintenance of the system and development of solutions to meet member requirements is calculated based on the number of cost components, each of which corresponds to the products, services, and resources included as part of, and necessary to deliver, Support Services.

Each Party recognizes that the monetized cost for each component is calculated using metrics that are appropriate for each component (i.e. FTE(s) for provider services, licenses for software, compute units for infrastructure, etc.). Additionally, each Party recognizes that, as of the date of this MoU, the costs for different components have been incurred by one or more members and may continue on behalf of the
Consortium and those members are entitled to the fair and equitable reimbursement of those costs by members of the Consortium.

6.1 Budgets and Forecasts

Each Party shall cause its respective FEB representative to, at a frequency that aligns with their state’s budget cycle for the fiscal year; develop a budget estimate corresponding to the anticipated scope and quantity of Support Services by component costs over a period of three (3) years. Parties agree that the CEC will establish, based on recommendations by the PMO and FEB, material variance metrics which will be used by the PMO to identify potential financial risk to the Consortium.

The PMO in conjunction with the CEC respective representative(s) shall prepare and present an annual budget during the third quarter of the fiscal year to be determined by CEC. The PMO shall provide status updates at each quarterly meeting of the CEC thereafter. The Consortium budget shall be disseminated by the PMO to the CEC members and posted on a member accessible website at least ten (10) business days prior to the CEC meeting.

Parties commit to submit budgets to the PMO annually and they must include a summary which amalgamates each state’s internal costs related to Support Services and identify associated assumptions, risks, and contingent budgets for uncontrollable for unforeseen events. Each Party understands that the budget will be evaluated by the PMO, who will ensure that risks to the Consortium are identified and included in the risk management process as appropriate.

Using information provided by the FEB, each Party agrees that the PMO shall provide each quarter, the cost by component for Support Services, along with the calculations supporting its allocation. Within thirty (30) days of being provided the cost components, each Party agrees to submit for review to the FEB a six (6) quarter rolling forecast which outlines the future obligations and financial commitments for the state to members and providers. Each Party understands that once reviewed, the forecasts submitted will be consolidated by PMO, compared to the latest budget, and included in the agenda at the next scheduled meeting of the CEC. Parties understand that member’s FEB representatives will be required to be available during CEC discussions where budgets and forecasts are on the agenda. Each Party commits to conduct and document the results of a biannual internal review of their finances, comparing actuals to budgets and forecasts as well as their performance to procurements, and submitting a summary of the results to the PMO, with the state maintaining copies of the detailed supporting documentation.

Parties agree to utilize common formats and metrics provided by the PMO, or one approved by the FEB, for financial reporting, including but not limited to budgets, forecasts, financial reviews, and transmittal documents.

6.1 Payments and Obligations

Each Party commits to remit payment resulting from obligations to members or providers within the payment terms and conditions agreed to in the relevant written agreement or contract. Where such an agreement or contract does not specify payment terms and conditions, Parties agree to remit payment based on the lesser of the payment term included on the payment request or their state’s standard business processes.

Parties agree to submit fair, equitable and substantiated reimbursement and payment requests to other members for costs related to products, services, or other resources incurred or provided by themselves.
for the benefit of other members. Parties accept that a written agreement must exist between members before any request for reimbursement or payment can be requested or occur.

Each Party agrees to maintain a ledger with an accompanying aging maintained at the transaction level which tracks the payment and remittance performance of all transactions between the Party and each member and provider and further agrees to provide a copy to the FEB and PMO at least monthly. As a result, each Party recognizes that delays in payments or non-payment on the part of the member will have an adverse impact on other members and providers and their ability to continue providing the products, services, or resources they provide to the Consortium and, therefore, agrees that as a consequence, they may be considered in breach and subject to Withdrawal or Removal per Section 7.4, or may have services withheld by providers and may be responsible to both the providers and other members for any associated costs related to services rendered as outlined in the project contract/agreement terms or invoice.

Parties agree that all outstanding liabilities attributable to their participation in the Consortium at the time of their withdrawal or removal from the Consortium will be their responsibility and not that of other Consortium members. Such outstanding liabilities would be determined as a result of a financial reconciliation prepared jointly by the PMO and FEB and provided to the CEC for their review and approval.

6.2 Allocation of Shared Costs

Each Party acknowledges that costs related to products, services and resources exist which all members utilize, and that responsibility for payment of those costs must be fair and equitable. As a result, each Party agrees that the CEC, through majority vote, shall establish initially, and modify when necessary, the cost sharing and allocation procedures, considering recommendations from the PMO and FEB, and these procedures will include the relevant calculations, assumptions, and exceptions. Once established, the CEC will approve a Cost Sharing Agreement, as the basis for those procedures, and direct the PMO to incorporate detailed instructions in the application of those procedures, as well as the basis for the cost calculations and exception handling as part of the SOPs.

The Parties recognize that the CEC may make revisions to the cost sharing and allocation procedures based on their quarterly approval of future obligations and commitments related to each member, but agree that the CEC will not make more than two revisions within a calendar year, unless there is a change in membership in the Consortium, or approval for the initial deployment of the full system to the client-facing production environment has been granted by the CEC for a member.

The Parties agree to comply with approved cost sharing and allocation procedures and shall require providers, through their respective contracts with them, to report on and submit invoices for Production Support Services delivered to their respective states, in conformance with these procedures.

Each Party agrees that, upon receipt of invoices from providers and request for payment from members, pursuant to the delivery of Support Services by them, they will be solely responsible for verifying the accuracy of invoices and requests for the proportional costs allocated for Support Services, in accordance with the cost allocation and sharing procedures, and will follow the Consortium’s Risk Management Process to report any discrepancies.
6.3 Funding Commitment

Each Party agrees that it shall be solely responsible for securing, from its state government or other sources, the commitment to fund and the funding necessary to pay for the development and/or Support Services consumed by that State or anticipated to be consumed by that State.

Additionally, each Party shall, through the FEB, submit monthly to the PMO, a statement with accompanying supporting documentation as necessary, which affirms their continued availability of funds to avail of Support Services for a period of not less than the minimum amount of notice necessary for a State to withdraw or be removed from the Consortium. Each Party agrees to notify members of the CEC in writing, as soon as it becomes aware, of its inability to secure the necessary funding and actions to support the full duration for its budgets and forecasts.

Each Party commits to ensure that the timing and process for appropriating funds within the state will not constrain their representative, or other members, from meeting their commitments to providers or other members, or impact the ability of members to secure Support Services from providers.

Article 7 Consortium Membership

Each Party accepts that membership in the Consortium is promulgated and affirmed in this agreement and thereby conferred by other members of the Consortium for those states with similar views regarding functionality, compatibility in volume and claims activity levels, and who agree to operate and develop its fully integrated, multi-tenant, cloud hosted unemployment tax and benefits insurance system as partners.

7.1 Performance

Each Party shall ensure continued operations and maintenance of the system by the State it represents and in a manner that does not impact the operations and maintenance of the system or receipt of Support Services, by other members, as evidenced by its acceptance, agreement, understanding, acknowledgement, affirmation and commitments included as part of this MoU.

Each Party agrees that their performance will be evaluated in regards to Article 3, Article 4, Article 5, and Article 6 on a regular basis by the CEC based on:

- Availability of dedicated state resources (human, technical and financial) required for fulfilling obligations identified in this MoU and as required to support the Consortium SOPs.
- Ability to secure independently, state-specific products, services and resources necessary for the operation and maintenance of the system.
- Participation in the governance and decision making, in conformance to this MoU and the Consortium SOPs.
- Ability to retain the form, structure, technology and environment of the current system to minimize deviation to accommodate state-specific needs not related to case, statutory and regulatory law, or immutable constraints.

Parties agree that Consortium will identify for each of the items identified above, in a separate Performance Standards Agreement between the Parties, those standards which it considers a measure of competency, which will be used as a reference point against which progress and achievements in condition and performance can be prepared, measured and judged. Each Party understands that performance will also be evaluated based on their ability to support the utilization of human, technical,
and financial state resources in the delivery of system requirements identified and documented by each state.

Each Party understands that evaluations by the CEC regarding performance will be conducted based on information provided to, or requested by the PMO, subsidiary Governing Forums, as well as members and providers participating in Support Services.

7.2 Non-Performance
Each Party accepts that if the CEC determines that the Party is not fulfilling its obligations in regards to Article 3, Article 4, Article 5, Article 6, and the Performance Standards Agreement, as required by this MoU, it will be provided an opportunity to justify to the CEC, in writing, the reason(s) for non-performance and its plans to remedy such non-performance. Remediation can either be an agreed-upon or mandated resolution, at the discretion of a majority of the CEC.

Each Party accepts that non-performance may be considered a breach and the Party would be subject to Withdrawal or Removal per Section 7.4, pending results of any remediation.

7.3 Onboarding
The Parties recognize that any State not associated with the Consortium may request admittance to the Consortium if mutual interest and compatibility exists. The Parties agree that the CEC will establish criteria to admit a State into the Consortium. The CEC will vote on whether to admit the requesting state once these criteria have been met. A majority vote of the CEC is required for admittance. After the CEC has voted to admit a State into the Consortium, the new Consortium member must execute an Onboarding Addendum, which when signed by the new Consortium member, will become incorporated into this MOU. The Onboarding Addendum will state that the new Consortium member is committed to the Consortium and will abide by the terms and conditions of this MOU.

Each Party commits its Governing Forum representatives to fully participate in the decision-making process to onboard a new State.

7.4 Withdrawal or Removal from the Consortium
Parties affirm that under the terms of the MoU, any member may withdraw from the Consortium without cause, by providing written notice at least one hundred twenty (120) days prior to the date of withdrawal, to the CEC representative of each Consortium member. The remaining members shall have the authority to grant up to, but no more than, an additional sixty (60) day notice prior to the effective date of the withdrawal. Parties recognize that the CEC, by majority vote, may agree to, or stipulate a shorter period for the withdrawal.

Notwithstanding the provisions related to Non-Performance in Section 7.2, Parties recognize that a member may only be removed from the Consortium by a majority vote of the CEC, and only after the Consortium has allowed the non-performing member an opportunity to remedy the non-performance.

Additionally, Parties agree that the following rules and procedures will govern the removal of a member from the Consortium and agree to be bound by such rules in order for the removal to occur.

1. Upon written notification of non-performance by the CEC, a non-performing member has thirty (30) calendar days to provide written reason(s) for non-performance and its’ plan(s) to provide a remedy, including the number of days to effect such remedies.
2. The reason(s) for the non-performance and the remediation plan will be accepted or rejected at the discretion of a majority of the CEC within thirty (30) calendar days of submission by the non-performing member.

3. If rejected, the CEC will mandate a remedy, including the expected date of resolution that is acceptable to a majority of the CEC.

4. If the non-performing member refuses to accept a mandated remedy, or accepts, but fails to demonstrate a good faith effort to complete the mandated remedy by the expected date of resolution, the Parties will be considered in conflict and the conflict resolution process outlined in Section 5.4.1 will be followed.

5. If there is not a resolution after completion of the process outlined in Section 5.4.1, for a conflict originating from a written notice of non-performance by the CEC, or the non-performing member does not prevail in Binding Arbitration as outlined in Section 5.4.2 or voluntarily withdraws from the Consortium, the non-performing member will be removed from the Consortium.

6. Written notice of removal will be provided to the non-performing member and will be signed by a majority of the CEC. Such notice will provide at least one hundred twenty (120) days for the non-performing state to complete their withdrawal, and may be extended by a notice of extension, signed by a majority of the CEC, for an additional sixty (60) days at the discretion of the CEC.

The Parties agree that, upon removal from the Consortium, all data, which is property of the removed member, shall be returned to that state, files and databases purged of all data, and written notice given to the removed member by the Consortium that such events named in this section have been accomplished.

Parties further agree that the removed member shall forfeit all intellectual property rights to the system but may retain a non-exclusive and irrevocable license for use or modification independently, and on its own, outside the Consortium’s System and its environment. Parties recognize that the removed member does not have the authority to transfer the System or the non-exclusive, irrevocable license to any third party, for any purpose other than for its own operations, maintenance and support.

Parties agree that re-entry of a removed member into the Consortium and requirements for re-entry shall be determined by the members comprising the Consortium, at the time the removed State petitions for re-entry.

Parties agree that a member, that withdraws or is removed from the Consortium, will not be entitled to a refund or reimbursement of any monies, resources or other expenditures that it has previously invested in the Consortium, and as a member of the Consortium. Parties recognize that any member, upon withdrawal or removal from the Consortium in accordance with this MoU, shall be obliged to pay its outstanding invoices and invoices for the Support Services consumed up until the date of their withdrawal/removal.

Parties agree that any member who withdraws or is removed from the Consortium will be responsible for additional costs as negotiated with the CEC based on the circumstances associated with the separation. In the event of an impasse the CEC will follow the steps set forth in Article 5.4.
Article 8 Terms and Conditions

8.1 Compliance with Law
No Party shall be required to take any action or perform any obligation under this MoU, if such action or performance would constitute the violation of the laws of that state. Each Party agrees to notify, in writing to the CEC, in the event any actions or obligations required under this MoU violate the laws of their respective State.

It is the policy of the Consortium to maintain high ethical standards and avoid conflicts of interest. The Parties shall conduct their respective affairs under this MoU in accordance with the principles set forth in their respective state’s code of ethics, conflict of interest, or other applicable law or policy.

The CEC, however, upon majority vote, and as need arises, shall have the discretion and authority to require a consortium member to provide proof of compliance with their respective ethics, conflict of interest, or other applicable law or policy.

8.2 Termination
This MoU may be terminated or amended by a majority vote of the CEC. In the event only one Party of the Consortium remains, others having withdrawn or been removed, the MoU shall terminate on the effective date and concurrently with the withdrawal or removal of the last Party, except the sole remaining Party.

8.3 Assignment
Except as permitted for under this MoU, neither this MoU nor any of the rights and obligations under it may be sub-contracted or assigned by any Party without obtaining the prior written consent of the other Parties. In any permitted assignment, the assignor shall agree and ensure that the assignee shall assume all rights and obligations of the assignor under this MoU and agree to be bound to all the terms of this MoU.

8.4 Waiver
No failure or delay by any Party to exercise any right, power or remedy will operate as a waiver of any right, power or remedy, nor will any partial exercise preclude any further exercise of the same, or of some other right, power or remedy. Additionally, none of the Parties participating in this MoU waive their sovereign immunity by entering into this Agreement and specifically retain their governmental immunity and all defenses available to them as sovereigns.

8.5 Severability
If any article or section of this MoU is found by any court, tribunal, administrative body, or authority of competent jurisdiction to be illegal, invalid, or unenforceable then that provision shall, to the extent required, be severed from this MoU and shall be ineffective without, as far as is possible, modifying any other clause or part of this MoU, and this shall not affect any other provisions of this MoU, which shall remain in full force and effect.

8.6 Confidentiality
Each Party hereby commits to the other Parties that it shall agree and enforce that its employees, agents, representatives, contractors and sub-contractors shall:
1. Keep confidential all information of a confidential nature, written and oral, the business affairs of any other Party to this MoU, that it shall have obtained or received as a result of the discussions leading up to or entering into or performance of this MoU (the “information”);

2. Not disclose the information, either in whole or in part, to any person other than those of its employees, agents, representatives, contractors and sub-contractors involved in the implementation or evaluation of the work performed or services consumed, who have a need to know the same for the performance of their duties, without the prior written consent of the relevant other Party; and,

3. Use the information solely in connection with the work to be performed and services consumed and not otherwise for its own benefit or the benefit of any third party.

The provisions above shall not apply to the whole or any part of the information to the extent that it can be shown by the receiving party to be:

1. Known to the receiving Party prior to the date of this MoU and not obtained directly or indirectly from any other Party; or

2. Obtained from a third party who lawfully possesses such information which has not been obtained in breach of a duty of confidence owed to any Party by any person; or

3. In the public domain in the form in which it is possessed by any other Party other than as a result of a breach of a duty of confidence owed to such other Party by any person; or

4. Required to be disclosed by legal process, law or regulatory authority.

Each Party hereby agrees to the other Parties to make all relevant employees, agents, representatives, contractors and sub-contractors aware of the confidentiality of the information and provisions of this clause and without prejudice to the generality of the foregoing to ensure compliance by such employees, agents, representatives, contractors and sub-contractors with the provisions of this clause.

In addition, the Parties agree to safeguard and protect all UI information contained in the UI-IT system in strict accordance with all federal and state laws governing the confidentiality of UI information, including but not limited to the Social Security Act, 42 USC 303, 20 CFR Part 603, the Privacy Act 5 USC 552a, and state statutory requirements governing the partners’ respective programs.

8.7 Ownership and Intellectual Property Rights (IPR)

Property rights to the intellectual property developed through this Consortium shall be governed by federal regulations as outlined in TEGL 31-04 (April 29, 2005) and amendments and subject to provisions of this MoU.

By virtue of the fact that States are participating in the ReEmployUSA Consortium resulting in the development of the System, each State has access to the property rights of the resulting development and such rights are conveyed to each State upon acceptance of delivery prior to the final implementation of that State’s system. All States have the right to any code to the extent intellectual property rights are granted to that State, at any time for their use. The intellectual property may not be transferred to any other State without written permission of the ReEmployUSA Consortium, secured by vote of the CEC, to grant such transfer. In the event the CEC determines intellectual property needs to be shared with provider(s), it shall be done as a result of a unanimous vote by the CEC, and the transferred property rights will be conditional, for single use only, and any resulting new property will become intellectual property of the ReEmployUSA Consortium. Property rights granted to other States will be conditional and shall be
granted for use of that State only with limitation that the property rights cannot be transferred to any other entity without the written authority of the ReEmployUSA Consortium.

Any intellectual property rights belonging to other entities are not available for transfer by the ReEmployUSA Consortium.

**8.8 Data**

Each Party (and the member that it represents) shall own the exclusive right to all data contributed by that member to the Consortium. Each Party contributing data shall be doing so for the following reasons: (1) development (2) testing (3) deployment and (4) operation in test, staging and production environments and, (5) maintenance. The Consortium or any individual member, other, than the member owning the data, shall not have the right, as a Party to this MoU, to use the data in any manner that is not directly related to the purposes enumerated in this section, without express written consent of the owner of the data.

**8.9 Indemnification**

The Parties agrees that each member is responsible and liable for its own conduct. The terms of this MoU are for the purposes of sharing resources to operate and maintain a System to support each State’s Unemployment Insurance program. Nothing stated or implied in this MoU, or any other document associated with this MoU will transfer liability for actions of any one State to another State.

**8.10 Modifications to Agreement**

This MoU may only be amended by written agreement of the parties. No variation to this MoU shall be effective unless signed by all of the duly authorized State Executives, each representing his/her State.

The CEC shall review the terms and conditions of this MoU annually and reauthorize based on substantial change in conditions, state liabilities, or primary state signatories.

**8.11 Notices**

All notices required shall be delivered, in writing, to the following representatives of each member at the indicated address. Each Party shall be responsible, by providing written notice to the CEC, for keeping current and accurate its representative’s contact information. Such notice shall occur within fifteen (15) days of the change.

**8.12 Term of Agreement**

This MoU shall be in effect on the date the last Party to this MoU signs the agreement and shall remain in full force and effect and be binding on all Parties, unless and until a Party withdraws or is removed from the Consortium, or this MoU, by agreement of all Parties hereto, is terminated. This Agreement may be executed in multiple, identical, original counterparts, all of which shall constitute one agreement.
STATE OF MISSISSIPPI

IN WITNESS HEREOF, the Mississippi Department of Employment Security agrees to the terms and conditions of the REEMPLOY USA Memorandum of Understanding as set forth herein. Moreover, the individual executing this Agreement attests that they are duly authorized to execute this Agreement on behalf of their respective state agency.

Mississippi Department of Employment Security

By: Jacqueline A. Turner
Name: Jacqueline A. Turner
Title: Executive Director
Date: 12/2/2019
IN WITNESS HEREOF, the Connecticut Department of Labor agrees to the terms and conditions of the REEMPLOY USA Memorandum of Understanding as set forth herein. Moreover, the individual executing this Agreement attests that they are duly authorized to execute this Agreement on behalf of their respective state agency.

Connecticut Department of Labor

By: Kurt D. Westby

Name: Kurt D. Westby

Title: Commissioner

Date: 12/2/2019
STATE OF MAINE

IN WITNESS HEREOF, the Maine Department of Labor agrees to the terms and conditions of the REEMPLOY USA Memorandum of Understanding as set forth herein. Moreover, the individual executing this Agreement attests that they are duly authorized to execute this Agreement on behalf of their respective state agency.

Maine Department of Labor

By: [Signature]

Name: Laura A. Fortman

Title: Commissioner

Date: 12/4/19
STATE OF OKLAHOMA

IN WITNESS HEREOF, the Oklahoma Employment Security Commission agrees to the terms and conditions of the REEMPLOY USA Memorandum of Understanding as set forth herein. Moreover, the individual executing this Agreement attests that they are duly authorized to execute this Agreement on behalf of their respective state agency.

Oklahoma Employment Security Commission
By:

Name: Richard McPherson
Title: Executive Director
Date: 12-3-19

Oklahoma Office of Management and Enterprise Services is an additional signatory pursuant to the authority of the Chief Information Officer set forth in 62 O.S & 34.11.1, 74 O.S & & 85.5 and 85.9D to enter into multistate agreements and is doing so with the understanding that the responsibilities set forth in this MOU rest with the OESC.

By:

Name: James Reese
Title: Oklahoma Chief Information Officer
12/3/19