WRIS Data Sharing Agreement (as amended, February 17, 2011)

This Agreement is entered into this ___ day of _____, 201_, by and among the

(SUIA)_____, and the
(SUIA Agency Name)

(PACIA)_____, and the
(PACIA Agency Name)

(PACIA)_____
(Additional PACIA Agency Name – if applicable)

of the State of _____ and the United States Department of Labor, Employment and Training Administration.

I. Purpose

The Wage Record Interchange System (WRIS) has been developed to facilitate the interstate exchange of wage data between participating states for the purpose of assessing and reporting on state and local performance for programs authorized under the Workforce Investment Act of 1998 (WIA), under other statutory provisions authorizing programs identified as One-Stop partners in the WIA, and for other purposes allowed under law. More specifically, the WRIS: 1) assists states in assessing the performance of individual training providers and state employment and training programs; 2) supports states in preparing and submitting reports to the United States Department of Labor (USDOL) regarding the performance of workforce investment programs and activities authorized under the WIA, or under other statutory provisions that are referenced in the WIA as authorizing programs identified as One-Stop partners; and 3) supports research and evaluation efforts authorized under the terms of this Agreement.

The purpose of this Agreement is to establish and implement the operating conditions and procedures that will govern the participation of the state agencies holding wage data (referred to as SUIAs), the state Performance Accountability and Customer Information Agencies (PACIAs) and the USDOL - Employment and Training Administration (ETA) in the WRIS and to establish certain conditions and procedures, consistent with 20 CFR Part 603, that are intended to protect the confidentiality of information disclosed among the participating parties through the WRIS.

II. Legal Authority

The legal authority to establish this agreement is derived from Section 136(f)(2) of the WIA (Public Law No. 105-220), which requires states to use wage records, consistent with State law, for performance measurement purposes. This section also authorizes the Secretary to make arrangements, consistent with State law, to ensure that the wage records of any state are available to any other state, to the extent they are necessary for carrying out a state's state plan or completing their annual report.

The authority for workforce investment system reporting is derived from Section 136(d) and Section 185 of the WIA.

As required by the WIA, all data exchange activity conducted through the WRIS will be conducted in a manner consistent with both the Family Educational Rights and Privacy Act (FERPA) and with applicable State law. Further, the WRIS will be administered in accordance with Section 504(b) of the WIA, which prohibits the development of a national database of personally identifiable information on individuals receiving workforce investment services while allowing activities that are necessary to the proper administration and management of such programs. The participating SUIAs use of the Distributed Data Base Index (DDBI) for purposes of determining Federal-State Unemployment Compensation (UC) program eligibility is governed by Section 303(a)(1) of the Social Security Act (SSA), requiring, as a condition of a state's administrative grants, that it follow methods of administration "reasonably calculated to insure full payment of unemployment compensation when due," and Section 3304(a)(9)(B) of the Federal Unemployment Tax Act (FUTA), which requires each State, as a condition of participation in the UC program, to participate in any arrangement specified by the Secretary of Labor for payment of UC "on the basis of combining an individual's wages and employment" in two or more states.

III. Parties to the Agreement

The following are the parties to this Agreement:

A. "SUIA" is the state agency that holds wage data, whether or not such agency also administers the state's unemployment insurance program.

B. "PACIA" is the Performance Accountability and Customer Information Agency designated by the governor to be responsible for coordinating the state's program for assessing state and local program performance, and evaluating training provider performance as required under the WIA.

C. "ETA" is the Employment and Training Administration, United States Department of Labor. ETA is responsible for carrying out the standards, policies, programs, and activities of the Department of Labor, including grant making and contract procurement activities in accordance with existing governmental and Departmental regulations, relating to workforce development activities under a variety of Federal laws including title III, title IX, title XI, and title XII of the Social Security Act of 1935, as amended (42 USC 501-504, 42 USC 1101-1110, 42 USC 1320b-7, and 42 USC 1321-1324), the Wagner-Peyser Act, as amended (29 USC 49 et seq.), and WIA.

ETA is also responsible for the overall management and administration of the WRIS on behalf of all participating states, including providing the grant resources to support the operational infrastructure of WRIS - which is based on the Interstate Communications Network - to allow the exchange of wage data through the WRIS.

IV. Definitions

The following terms used in this Agreement shall have the meanings set forth below:

A. "Aggregate Data" is "Wage Data" that has been stripped of any information that would identify the individual(s) and employers to whom the data pertains, including but not limited to, name and Social Security Number (SSN) or Federal Employer Identification Number (FEIN), and that have been aggregated into a group(s) containing no fewer than three records, provided however, that nothing herein shall prevent a PACIA from observing a more stringent aggregation policy with regard to its own use and reporting of data.

B. "Aggregate statistical reports" are reports containing aggregate data.

C. "Agreement" is this WRIS Data Sharing Agreement, including any amendments.

D. "DDBI" is the Distributed Database Index, an index of all SSNs for which wages have been reported to participating states over a period of up to eight quarters. The DDBI contains three information items for each entry: SSN, quarter for which wages were reported, and the state that holds the wage record. Participating states continuously update the DDBI, in accordance with a schedule maintained by the Operations Contractor.

E. "Disclose" or "Disclosure" refers to the release of Wage Data in accordance with the terms of this Agreement.

F. "Family Educational Rights and Privacy Act (FERPA)," 20 USC 1232g, is a federal statute protecting an individual's right to privacy of his/her educational records.

G. "ICON" is the Interstate Communications Network, a nationwide telecommunications system used by SUIAs to transmit information for unemployment insurance and related program purposes. ICON is the infrastructure used by WRIS to allow for the exchange of Wage Data.

H. "Operations Contractor" is the entity responsible for the technical operation and maintenance of the WRIS Clearinghouse hardware and software, for providing technical support to states participating in the WRIS, and for assisting ETA with its WRIS management and administrative functions.

I. "Query" describes an inquiry seeking Wage Data sent from the WRIS Clearinghouse to the SUIA in a participating state.

J. "Reply" is a response from a SUIA to a Query.

K. "Request" is a request for Wage Data received by the WRIS.

L. "Result" describes the Wage Data transmitted from the WRIS Clearinghouse to a PACIA in response to a Request.

M. "State" includes all fifty states, as well as the District of Columbia, Puerto Rico, and the Virgin Islands.

N. "Wage Data" means individually identifiable information reported quarterly by employers as required by Section 1137(a)(3) of the Social Security Act including, but not limited to, employer names and employee names, SSNs, and associated wages. Wage data also includes industry sectors in which employees work, as identified by the North American Industrial Classification System (or "NAICS") codes.

O. "Wagner-Peyser programs" are those programs authorized under the Wagner-Peyser Act, 29 USC 49 et seq.

P. "WIASRD" is the standardized records on individual participants that states must submit to the Secretary of Labor for clients receiving services under the WIA, per Section 185(a)(3).

Q. "WRIS" is the Wage Record Interchange System, an automated system for facilitating the exchange of Wage Data between participating states for the purpose of assessing the performance of individual training providers and state employment and training programs; preparing and submitting reports to the USDOL regarding the performance of workforce investment programs and activities authorized under the WIA, or under other statutory provisions that are referenced in the WIA as authorizing programs identified as One-Stop partners; supporting research and evaluation efforts, and for other purposes allowed under law.

R. "WRIS Clearinghouse" is the location of the central processing operation through which WRIS Requests, Queries, Replies, and Results are processed. The WRIS Clearinghouse is operated by the Operations Contractor.

V. WRIS Governance

A WRIS Advisory Group will be established to provide a venue for communication, discussion of WRIS operations, recommendations for improvement, and other WRIS-related policy and operational issues.

A. Membership: The Advisory Group shall consist of:

1. Signatory states: Each state that is a party to the Agreement may designate up to two (2) representatives, who must be state employees, to represent its state on the Advisory Group.

2. Employment and Training Administration: ETA shall designate one (1) officer or employee representative to the Advisory Group. Additionally, ETA shall provide up to five (5) staff to support the Advisory Group as part of ETA's roles and responsibilities defined in Subsection C below and elsewhere in the Agreement.

3. Operations Contractor: The WRIS Operations Contractor will be invited to participate in the Advisory Group meetings, but will not be an official member of the Advisory Group.

B. Meetings and Communication:

1. The Advisory Group will convene each calendar quarter either in person or via a conference call. In-person meetings will be held in conjunction with other meetings to conserve state travel resources to the extent possible.

2. Additional in-person meetings or conference calls may be convened upon the majority concurrence of the Advisory Group.

C. Roles and Responsibilities:

1. Signatory States: Shall be active participants in the Advisory Group, and shall provide timely feedback as requested.

2. Employment and Training Administration:

a) Will provide timely logistical support to the Advisory Group: e.g., notice of meetings, draft agendas, meeting minutes.

b) After each meeting or call, ETA shall provide a draft of the meeting report or conference call to group members within ten (10) business days. Advisory Group members will have ten (10) business days to comment on the draft report.

VI. Responsibilities of the Parties

The parties shall have the following responsibilities in connection with the operation, management and administration of the WRIS:

A. SUIAs shall be responsible for:

1. Providing ETA with forms properly executed by all SUIA employees authorized to respond to WRIS Queries in which such employees acknowledge their understanding of the confidential nature of WRIS data, the standards and guidelines for the handling of such data as discussed in Section VIII of this Agreement, and their obligation to comply with such standards and guidelines in carrying out their WRIS duties.

2. Transmitting to the Operations Contractor, on a quarterly basis, the SSNs of all individuals for whom employers have reported wages for inclusion in the DDBI. The SSNs shall be submitted no later than the quarterly upload date set by the Operations Contractor and shall cover a period established by the Operations Contractor.

3. Providing appropriate data to all other states participating in the WRIS by responding to Queries for Wage Data received through the WRIS Clearinghouse in a complete, timely, and accurate manner.

4. Ensuring that internal security measures currently in place comply with the confidentiality provisions set forth in the Agreement, and 20 CFR Part 603, that are intended to prevent the unauthorized disclosure of SSNs obtained from PACIAs participating in the WRIS.

5. Ensuring that their employees working with the WRIS comply with the standards and guidelines for the handling of such data as discussed in Section VIII of this Agreement, as well as any additional rules established by the SUIA, that are consistent with 20 CFR Part 603, to protect the confidentiality of WRIS data.

6. Cooperating with periodic program and confidentiality compliance reviews related to WRIS, as part of the regular program reviews conducted by ETA. This includes permitting site and record inspections related to WRIS during regular business hours by ETA and/or by representatives of other states participating in the WRIS.

B. PACIAs shall be responsible for:

1. Providing ETA with forms properly executed by all PACIA employees authorized to use the WRIS in which such employees acknowledge their understanding of the confidential nature of Wage Data, the standards and guidelines for the handling of such data as discussed in Section VIII of this Agreement, and their obligation to comply with such standards and guidelines in carrying out their WRIS duties.

2. Presenting to the WRIS only those Requests for Wage Data allowable under the terms of this Agreement.

3. Ensuring that their employees working with the WRIS comply with the standards and guidelines for the handling of Wage Data as discussed in Section VIII of this Agreement, as well as any additional rules established by the PACIA, that are consistent with 20 CFR Part 603, to protect the confidentiality of WRIS data.

4. Preparing Aggregate Statistical Data from Wage Data received through the WRIS, for use in preparing PACIA program performance reports and individual records (WIASRD data) for the USDOL according to dates established in reporting guidelines issued by ETA. Individual records will not be accompanied by SSNs or names that would identify the individuals.

5. Providing individuals with Aggregate Statistical Reports on the results of past participants of specific training programs, so that those individuals may make informed training choices.

6. Cooperating with periodic program and confidentiality compliance reviews related to WRIS, as part of the regular program reviews conducted by ETA. This includes permitting site and record inspections related to WRIS during regular business hours by ETA and/or by representatives of other states participating in the WRIS.

C. ETA shall be responsible for the overall administration and management of the WRIS, which shall include the following:

1. Communicating with states, other federal agencies, the Congress, and other interested public and private parties regarding the operation and value of the WRIS.

2. Facilitating the confidentiality of Wage Data exchanged through the WRIS by obtaining executed WRIS Data Sharing Agreements from participating states, enforcing requirements regarding employee passwords and usernames, revising the WRIS Data Sharing Agreement as appropriate, and notifying the participating states of agreed-upon changes to the WRIS Data Sharing Agreement, training WRIS staff in confidentiality requirements, and responding to questions and complaints about the confidentiality of the Wage Data exchanged through the WRIS. To further ensure the confidentiality of the Wage Data exchanged through the WRIS, ETA shall contract for an outside party to conduct Confidentiality Compliance Reviews to monitor the parties'compliance with the confidentiality requirements of the Agreement and to provide feedback and findings to the subject party on how its processes can be improved to better safeguard the Wage Data as required.

3. Continuously improving the WRIS in collaboration with the Operations Contractor, and the participating WRIS states. In some instances, this may include amending the Agreement in accordance with the procedure outlined in Section X of this Agreement.

4. Providing information to the participating states on the WRIS operation and its value in meeting performance measures and reporting requirements.

5. Developing and coordinating a process for the distribution of research proposals to the impacted WRIS states for consideration, and a method to govern the disposition of the proposals generated by a PACIA or ETA. All research and evaluation proposals submitted to ETA must specify the uses to which the WRIS data will be put and must demonstrate a direct benefit to one or more of the programs or activity described in subparagraphs 1 through 4 of paragraph C in Section VII of this Agreement.

6. Providing grant resources to support the operational infrastructure of WRIS to allow the exchange of Wage Data between participating states.

VII. Operation of the WRIS

The following describes how the WRIS operates, including how Requests for Wage Data are submitted and processed:

A. The SUIA shall submit to the Operations Contractor in a timely manner the SSNs of all individuals for whom employers have reported wages for a period identified by the Operations Contractor. Such transmissions shall be made no later than the quarterly upload date established by the Operations Contractor.

B. The data obtained from the SUIAs will be grouped by reporting state and included in the DDBI by the Operations Contractor.

C. A PACIA transmits a Request for Wage Data to the WRIS Clearinghouse containing SSNs. A PACIA may make Requests for Wage Data for the following purposes:

1. To obtain Wage Data for performance and reporting requirements for state and local programs within the jurisdiction of the Department of Labor authorized under: (i) Title I of the Workforce Investment Act; (ii) Section 403(a)(5) of the Social Security Act (42 USC 603(a)(5)); (iii) Chapter 2 of Title II of the Trade Act of 1974 (19 USC 2271 et seq.); (iv) Wagner-Peyser Act programs, and (v) Chapter 41 of Title 38 of the United States Code;

2. To allow the PACIA or other state agency to assess the performance of individual training providers under the Workforce Investment Act;

3. To allow the PACIA to obtain Wage Data used to satisfy the performance and reporting requirements for the Job Corps Program, Senior Community Service Employment Program, Migrant and Seasonal Farm Worker Program, Native American Program, Veterans Workforce Investment Program, Youth Build Program, Registered Apprenticeship Program, Prisoner Reentry Initiative Grant Program, H-1B Technical Skills Training Grant Program, the Community-Based and High-Growth Job Training Initiative Grant Program; and ETA programs and ETA grants funded under the American Recovery and Reinvestment Act of 2009 (Recovery Act), Division A, Title VIII of Public Law No. 111-5. Such requests are permissible, provided that a PACIA has entered into an agreement, which sets forth terms and conditions for such data sharing that are consistent with the terms of this Agreement, and 20 CFR Part 603, with an entity that operates such programs, or directly with ETA. A PACIA may submit Requests to the WRIS Clearinghouse on behalf of such entity, provided further, that any Results obtained from the SUIA shall be reported to such entity by the PACIA as Aggregate Data.

4. To allow the PACIA or other state agency to address performance and reporting requirements set forth in state statute for programs and activities identified in subparagraphs 1 through 3 of this paragraph C;

5. To obtain data for research and evaluation, subject to the limitations set forth below:

a) The research and evaluation must relate to one or more programs or an activity set forth in subparagraphs 1 through 4 of paragraph C of this subsection;

b) There are no conditions under which use of Wage Data is approved for research and evaluation without the express, voluntary consent of the participating state whose data are to be used for such purpose;

c) A state that has elected to participate in research proposals shall share only its own data, and not any data obtained through the WRIS, for such purpose;

d) All data for approved research purposes shall be transmitted between participating PACIAs; no other entity conducting research may have direct access to the WRIS for this purpose.

6. To allow the PACIAs to comply with requirements affecting expansion of the WRIS that is set forth in any of the following: (i) federal law; (ii) regulations promulgated by the Secretary of Labor; and, (iii) policy determinations issued by the Secretary of Labor;

7. As may be necessary to assist ETA with administering and managing the WRIS; and,

8. As may be necessary to assist the Operations Contractor with operating and troubleshooting the WRIS.

D. ETA may also obtain Wage Data for research and evaluation, subject to the same limitations set forth for PACIAs above in subparagraph 5 of paragraph C of this Section VII.

E. Each Request is assigned an identifier by the WRIS Clearinghouse/Operations Contractor.

F. The WRIS Clearinghouse makes an inquiry to the DDBI to determine the state(s) that has Wage Data associated with the SSNs attached to the Request.

G. Requests are periodically consolidated by the WRIS Clearinghouse into Queries to be sent to SUIA(s) identified as holding pertinent Wage Data. Consolidation consists of creating Queries containing SSNs from different PACIAs that are for Wage Data held by the same SUIA.

H. The WRIS Clearinghouse transmits Queries to the appropriate SUIAs for processing. A copy of each Query sent to a SUIA is maintained at the WRIS Clearinghouse until a Reply has been received by the WRIS Clearinghouse.

I. SUIA(s) process Queries and create Replies containing Wage Data, which are sent to the WRIS Clearinghouse.

J. The source of the Reply is verified by the WRIS Clearinghouse and the Wage Data is extracted from the Reply by the WRIS Clearinghouse and temporarily stored.

K. The WRIS Clearinghouse compares unfilled Requests with Wage Data received from the SUIAs Replies and if matches are found, Wage Data are sent to the Requesting PACIA in the form of a Result.

L. Information in Results provided to the PACIA is reduced by the PACIA to Aggregate Statistical Data for use in preparing PACIA program performance reports and consumer

reports for individuals seeking appropriate training providers and for use in meeting program management requirements for the programs covered by the WRIS.

M. The WRIS Clearinghouse only keeps a copy of each Result it provides to a requesting PACIA until the Result has been downloaded by the PACIA. The entity originally requesting the Wage Data will receive an electronic message reminding it that the data are now available. If the data have not been downloaded within 14 days of being made available, it will automatically be removed from the WRIS Clearinghouse.

N. The WRIS Clearinghouse provides ETA with periodic reports detailing the volume of WRIS activity during the reporting period for ETA's use in preparing reports.

VIII. Confidentiality/Restrictions on Use of Information

Beyond the use of the DDBI for the processing of Requests, the SSNs contained in the DDBI shall be available for the use of an agency charged with administration of a state's unemployment insurance program to identify other states having data needed for: unemployment insurance claims administration, fraud detection, and benefit overpayment collection through the ICON system.

The confidentiality requirements under this Agreement shall apply to any Wage Data a party to this Agreement obtained under the prior Consolidated WRIS Data Sharing Agreement to the extent such Data are currently retained by the party.

All parties to this agreement recognize that confidentiality of Wage Data is of paramount importance and must be observed except where disclosure is allowed by this Agreement or by court order. All data exchange activity by the SUIA and/or the PACIA conducted through the WRIS will be conducted in a manner consistent with applicable state law. All such activity conducted by ETA and/or its contractor/s will be performed in a manner consistent with the Privacy Act of 1974. The parties agree to take all necessary steps to protect such confidentiality by complying with the following provisions that are applicable to their particular entity, which are consistent with 20 CFR Part 603, in governing their handling of confidential information:

A. SUIA

1. No employee of the SUIA receiving a Query may duplicate or disseminate the Wage Data contained in the Query except to other employees specifically authorized to receive such data. No employee of the SUIA receiving a Query may duplicate or disseminate the Wage Data contained in such Query to anyone outside the SUIA.

2. The SUIA that receives a Query shall not extract information from the Query except for the purpose of responding to the Query by transmitting Wage Data in the form of a Reply for the purposes set forth in Section VII.C of this Agreement.

3. The SUIA shall retain the Query only for the period of time required to respond with a Reply. Magnetic tape files shall be degaussed. Electronic data shall be permanently deleted.

4. The SUIA shall not create a separate file or system containing the SSNs of individuals about whom the SUIA received a Query for Wage Data.

5. Replies transmitted from the SUIA to the WRIS Clearinghouse shall be stored in an area that is physically safe from access by unauthorized persons at all times.

6. The Queries obtained through the WRIS shall be processed in a manner that will protect the confidentiality of the records and is designed to prevent unauthorized persons from retrieving such records by computer, remote terminal, or any other means. Queries may be downloaded to, or maintained on, mobile or portable devices only if the queries are encrypted with a very strong password that, at minimum, meets the standards established by the National Institute of Standards and Technology (NIST). Queries may be accessed only from a secure location.

7. The SUIA shall permit ETA and/or the representatives of any participating state to make on-site inspections during regular business hours or other investigations to assure that the confidentiality safeguards described above are being maintained by the SUIA and its employees. In accordance with this responsibility, the SUIA shall make records subject to this Agreement available for inspection, review and/or audit by authorized persons.

8. The SUIA shall respond to the Operations Contractor for the purpose of correcting system errors or breakdowns, troubleshooting or testing the system, or for other operational purposes.

9. The SUIA shall report to ETA, in writing, regarding any circumstances adversely affecting its ability to meet the responsibilities or obligations set forth in this Agreement.

10. The SUIA shall ensure that the costs of disclosing confidential unemployment compensation information for purposes not benefiting or providing any reciprocal benefit to the state's unemployment compensation program will be covered from a source other than the state's unemployment compensation grant.

B. PACIA

1. No employee of the PACIA may duplicate or disseminate Wage Data received from a SUIA, subject to the following exceptions:

a) To other employees of the PACIA specifically authorized to receive such data; or

b) To the Operations Contractor for the purpose of performing duties imposed upon them pursuant to the terms of this Agreement; or

c) To auditors who are public employees seeking access to the information in the performance of their official duties; or

d) In the form of reports to the Secretary of Labor containing individual records, provided that such individual records are not accompanied by SSNs or names that would identify the individuals.

Unless covered by one of the aforementioned exceptions, under no circumstance shall Wage Data obtained through the WRIS in accordance with this Agreement be shared with any party outside the PACIA except in the form of Aggregate Statistical Reports.

2. The PACIA shall not create a separate file or system concerning the individual(s) for whom the SUIA provides Wage Data.

3. The PACIA shall not extract information from Wage Data provided by a SUIA for any purpose not stated in this Agreement.

4. The PACIA shall retain the Wage Data received from the SUIA only for the period of time required to utilize it for assessment and reporting purposes, or to satisfy applicable federal records retention requirements. Thereafter, the Wage Data shall be destroyed, including the degaussing of magnetic tape files and permanent deletion of electronic data.

5. The PACIA shall ensure that any information used to create Requests has been obtained and is being transmitted in conformity with FERPA and state laws governing the confidentiality of information in the possession of educational institutions.

6. Access to Wage Data and to any records created from Wage Data exchanged through the WRIS shall be restricted to only those employees of the PACIA who need it in their official capacity to perform duties connected with implementation of this Agreement.

7. PACIA personnel who will have access to Wage Data shall be advised of the confidential nature of the information, the safeguards required to protect the information, and the civil and criminal sanctions for noncompliance with such safeguards that are contained in federal and state laws. Prior to being able to have access to Wage Data, such PACIA personnel shall execute a form acknowledging their understanding of the confidential nature of the Wage Data and the safeguards with which they must comply in their handling of such data as well as the fact that they may be liable to civil and criminal sanctions for improper disclosure of WRIS data.

8. Wage Data obtained through the WRIS shall be stored in an area that is physically safe from access by unauthorized persons at all times.

9. The Wage Data obtained through the WRIS Clearinghouse shall be processed in a manner that will protect the confidentiality of the records and is designed to prevent unauthorized persons from retrieving such records by computer, remote terminal, or any other means. Wage Data may be downloaded to, or maintained on, mobile or portable devices only if the Wage Data are encrypted with a very strong password that, at minimum, meets the standards established by the National Institute of Standards and Technology (NIST). In addition, Wage Data may only be accessed from secure locations.

10. Wage Data obtained by the PACIA through a Request shall not be disclosed to third parties except as permitted under the terms of this Agreement.

11. The PACIA shall permit ETA and/or the representatives of any participating state to make onsite inspections during regular business hours for the purpose of conducting program audits and/or to conduct other investigations to assure that the PACIA is complying with the confidentiality requirements described above. In accordance with this responsibility, the PACIA shall make records applicable to this Agreement available to authorized persons for the purpose of inspection, review, and/or audit.

12. The PACIA shall respond to the Operations Contractor for the purpose of correcting system errors or breakdowns, troubleshooting or testing the system, or for other operational purposes.

13. The PACIA shall report to ETA, in writing, regarding any circumstances adversely affecting the PACIA's ability to meet its responsibilities or obligations under the terms of this Agreement.

C. ETA

1. Access by ETA to Wage Data shall be limited to the access necessary for ETA to carry out its responsibility for overall administration and management of the WRIS, unless specifically accessed under the research and evaluation procedures set forth elsewhere in this Agreement.

2. Any reports produced as a result of Confidentiality Compliance Reviews conducted by an outside party under a contract with ETA in accordance with Section VI.C. 2 shall not contain any references to personally identifiable information obtained from the WRIS.

3. ETA may not extract information from Wage Data for any purpose not stated in this Agreement.

4. ETA will not create a separate file or system concerning the individuals for whom it may have access to Wage Data.

5. Access to Wage Data exchanged through the WRIS shall be restricted to only those employees and/or agents of ETA who need it to perform their official duties in connection with this Agreement.

6. ETA employees and/or agents of ETA who will have access to Wage Data will be advised of the confidential nature of the information, the safeguards required to protect the information, and the civil and criminal sanctions for noncompliance with such safeguards that are contained in federal and state laws. Such employees and/or agents of ETA shall execute written confidentiality agreements acknowledging their understanding of these requirements and their duty to comply with them.

7. Wage Data obtained through the WRIS shall be stored by ETA in an area that is physically safe from access by unauthorized persons at all times.

8. The Wage Data obtained by ETA through the WRIS shall be processed in a manner that will protect the confidentiality of the records and is designed to prevent unauthorized persons from retrieving such records by computer, remote terminal, or any other means. Wage Data may be downloaded to, or maintained on, mobile or portable devices only if the Wage Data are encrypted with a very strong password that, at minimum, meets the standards established by the National Institute of Standards and Technology (NIST). In addition, Wage Data may only be accessed from secure locations.

9. ETA shall protect Wage Data from disclosure to third parties to the fullest extent allowable by law. ETA does not have access to Wage Data through the routine operation of the WRIS. Therefore, a Freedom of Information Act (FOIA) request for Wage Data would be denied because the data are not in the custody, or under the control, of ETA. ETA's funding of the operation of the WRIS does not establish ETA's control of the data.

As provided in Section VII, paragraph D, ETA may request Wage Data for research and evaluation purposes, subject to the limitations set forth in Section VII, paragraph C, sub-paragraph 5. Wage Data obtained by ETA under this provision could be subject to FOIA requests, as such data would be in the physical custody of ETA. In such instances, ETA shall not disclose this Wage Data to third parties, except where required by a court order or by the Freedom of Information Act (FOIA). If disclosure is required through either of these mechanisms, ETA shall redact any personally identifying information (PII) contained in the Wage Data prior to disclosure.

ETA will provide notice to all parties to the Agreement of any required disclosure of Wage Data to third parties, other than as provided in the Agreement.

IX. Duration of Agreement

This Agreement remains in effect in perpetuity, unless terminated. This Agreement may be terminated in one of the following ways:

A. Upon mutual agreement of ETA and a participating state at any time;

B. Unilaterally by any state, provided that the terminating state provides a written notice executed by the appropriate representatives from the PACIA(s) and the SUIA of its intention to terminate the Agreement by a specified date, at least sixty (60) days prior to that date. Termination of this Agreement by any participating state shall not affect the continuing enforceability of this Agreement as to any other state or ETA.

C. Unilaterally by ETA, provided that it provides a written notice executed by the appropriate representative of its intention to terminate the Agreement, at least sixty (60) days prior to the specified date of termination.

D. Notwithstanding the above, if either a state PACIA or SUIA should fail to properly perform or fulfill its obligations under this Agreement in a timely or proper manner, or should violate any term of this Agreement, ETA reserves the right to immediately suspend or terminate the participation of the state in this Agreement, upon written notice.

E. Further, notwithstanding the above, this Agreement may also be terminated immediately, upon written notice, should governing state or federal laws or regulations render performance hereunder illegal, impracticable, or impossible.

X. Amendment of Agreement

This Agreement may be amended in accordance with the following procedure:

A. An amendment may be proposed in writing by a participating state, ETA, or the Operations Contractor, which must be accompanied by a statement of support and any other relevant material, by the party proposing the amendment to ETA.

B. ETA will e-mail the proposed amendment and any supporting material submitted by the proposing party to the contacts identified in Section XVII of this Agreement, in addition to posting it on its website for 60 days. During this 60-day period, all parties will have the opportunity to review the proposal and submit comments in writing on the proposed change to ETA for its consideration and review.

C. The amendment will be considered by ETA, taking into account comments received from the states. ETA will contact those who submitted comments for clarification as necessary, especially in the case where it appears that the amendment under consideration may conflict with a state's law.

D. ETA will make a preliminary decision on the disposition of the amendment, which may include issuing a revised proposal in collaboration with the originating party to address comments received. The proposed disposition will be e-mailed to the contacts identified in Section XVII of this Agreement, in addition to being published on ETA's website for another 30 days.

E. Prior to the conclusion of the 30-day comment period, ETA will host a conference call in which any party to the agreement can participate to further express its concerns. The proposing entity must participate in this conference call, so it can hear any objections to its amendment. The intention of this is to allow the entity that proposed the amendment to potentially amend its proposal to address the issues identified through submission of a revised proposal.

F. If no objections to the amendment are raised during the 2nd comment period, which will be for 30 days, or the conference call, the amendment will be adopted and executed by written signature of the parties. Prompt written notice of the amendment to the Agreement will be provided to the contacts identified in Section XVII of this Agreement by ETA. The amendment will not be effective until the parties sign and return the amendment to ETA and it is fully executed. ETA will keep a record of proposed amendments, their disposition, and executed agreements and make that information available to the public via ETA's website.

G. If objections are raised during the 2nd comment period, which will be for 30 days, or the conference call, the proposal will not be adopted. The proposing entity may choose to amend its proposal and repeat steps D – E of this Section X again, or it may decide to withdraw its proposal and take no further action at that time.

H. The proposing party retains the right to withdraw its proposal at any time during the consideration process.

XI. Limitations on Liability

Although the SUIA will make a reasonable effort to assure the accuracy of the Wage Data provided to the WRIS Clearinghouse, the SUIA does not warrant that the Wage Data is current, accurate, or complete.

To the extent permitted by applicable state law, the state agency parties to this Agreement shall be responsible for the acts and omissions of their own employees. Liability of the United States is governed by the Federal Tort Claims Act. No party shall be held responsible for the misuse of Wage Data disclosed under this Agreement by another party or employee of another party to this Agreement.

XII. Non-Discrimination

The PACIA and SUIA agree, warrant, and assure that they will fully comply with the nondiscrimination and equal opportunity provisions set forth in Section 188 of the Workforce Investment Act and its implementing regulation at 29 CFR Part 37 in the performance of this Agreement.

XIII. Waiver/Strict Performance

Failure by any party to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Agreement shall not be construed as a

waiver or relinquishment of any such term, covenant, condition, or provision of the Agreement.

XIV. Entire Agreement

This Agreement, including any amendment executed by all parties and incorporated into this Agreement, is complete and contains the entire understanding among the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. The Agreement supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.

XV. Severability

If any terms and conditions of this Agreement are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Agreement are declared severable.

XVI. Reciprocal Participation/Waiver of Separate Execution/Effect of Agreement

A. The PACIA and SUIA executing this Agreement on behalf of their state acknowledge that the participation of their state in the WRIS binds their state to the exchange of data with all other states participating in the WRIS.

B. The PACIA and SUIA further acknowledge that ETA shall notify all SUIAs and PACIAs participating in WRIS regarding additions or deletions to the roster of participating states. A state's date of entry into the WRIS shall be the date on which ETA provides other participating states with notice of the execution of the WRIS Data Sharing Agreement by such state. This notice shall be provided in accordance with Section XVII of this Agreement.

C. Execution of this Agreement by the SUIA and PACIA of a participating state shall bind that state to comply with its terms as to all other states participating in the WRIS (regardless of the date of entry of such state into the system) and shall serve as a waiver of the right to separately execute a Data Sharing Agreement with each of the other participating states for the purposes set forth in this Agreement. Nothing herein shall be construed as preventing participating states from entering into a data sharing agreement(s) with other participating state(s) for any other purpose.

XVII. Communications and Contacts

All instructions, notices, consents, demands, or other communications required or contemplated by this Agreement shall be in writing and shall be made by electronic transmission, by facsimile transmission, by overnight courier service, or by first class mail, postage prepaid, addressed to the respective party and at the facsimile number or address as