Missouri Infrastructure Cost Sharing

I. PURPOSE:

To provide comprehensive guidance and policy direction to Local Workforce Development Boards (WDB), Local Workforce Areas (LDWA), and all WIOA required One-Stop system partners on the local negotiations process for infrastructure funding contributions**.**

II. BACKGROUND:

The Workforce Innovation and Opportunity Act of 2014 (WIOA) requires all partners to contribute to infrastructure funding of the One-Stop system in each LWDA. Contributions can be made in cash, fairly-evaluated non-cash contributions, or by third party contributions. Each Local WDB is required to establish a Memorandum of Understanding (MOU) with each partner in that LWDA that includes a One-Stop operating budget and an infrastructure funding agreement (IFA) that details how infrastructure funding will be contributed. If a Local WDB cannot reach agreement with the partners, then the state formula must be followed.

III. POLICY/ACTION:

A. Overview

WIOA requires all One-Stop partner programs to contribute to infrastructure funding of the One-Stop system. The partners impacted by this requirement are:

- Title I programs (Adult, Dislocated Worker, Youth, Job Corps, YouthBuild, Native American, and migrant seasonal farmworker);
- Title II adult education and literacy activities;
- Wagner-Peyser Act employment services programs;
- The Vocational Rehabilitation program under Title I of the Rehabilitation Act;
- The Senior Community Service Employment Program authorized under Title V of the Older Americans Act;
- Postsecondary career and technical education programs authorized under the Carl D. Perkins Career and Technical Education Act;
- Trade Adjustment Assistance authorized under the Trade Act;
- Jobs for Veterans State Grants programs authorized under chapter 41 of title 38, U.S.C.;
- Employment and training activities under the Community Services Block Grant;
- Employment and training activities of the Department of Housing and Urban Development;
- State unemployment compensation program;
- Ex-offender programs authorized under section 212 of the Second Chance Act; and
- Temporary Assistance to Needy Families (TANF) authorized under the Social Security Act, unless exempted by the Governor.

WIOA defines infrastructure costs to be non-personnel costs related to the delivery of services in a local area and can include:

- Non-personnel costs that are necessary for the general operation of the one-stop center, including but not limited to:
  - Rental costs of facilities
  - Costs of utilities and maintenance
  - Equipment , including:
    - Assessment related products
    - Assistive technology for individuals with disabilities
  - Technology to facilitate access to the one stop center
    - Center's planning activities
    - Center's outreach activities
  - Common identifier costs necessary to comply with regulation 678.900, 361.900, or 463.900.

Infrastructure costs and other additional costs may be paid by
(1) cash, non-cash, and third-party in-kind contributions;
(2) funding from philanthropic organizations or other private entities;
Or (3) other alternative financing options, as described in WIOA sec. 121(c)(2)(A)(ii) and 20 CFR 678.715, 34 CFR 361.715, and 34 CFR 463.715.

Definitions:

- Comprehensive Center: A One-Stop Center that includes two or more co-located required partners and, in addition, where job seekers and employer customers can access the programs, services, and activities of all required One-Stop partners.
- Affiliate Center: A One-Stop Center that includes at least two co-located required partners, but does not have access to the services of all required partners.
- Additional costs: Must include the costs of the provision of career services applicable to each program consistent with partner program's authorizing federal statutes and regulations, and allocable based on federal cost principles in the Uniform Guidance at 2 CFR part 200.
- Shared Costs and Services: May include shared operating costs and shared services that are authorized for, and may be commonly provided through, the One-Stop partner programs, including initial intake, assessment of needs, appraisal of basic skills, identification of appropriate services, referrals to other One-Stop partners, and business services.
- Cash Contributions: Cash funds provided to the Local WDB or its designee by One Stop partners, either directly or by an interagency transfer, or by a third party.
- Non-Cash Contributions: Expenditures incurred by One-Stop partners on behalf of the One-Stop Center; and Non-cash contributions or goods or services

contributed by a partner program and used by the One-Stop Center.

- Third-Party In-Kind: Contributions of space, equipment, technology, non-personnel services, or other like items to support the infrastructure costs associated with One-Stop operations, by a non-One-Stop partner to: Support the One-Stop Center in general; or Support the proportionate share of One-Stop infrastructure costs of a specific partner.

B. Steps to be Completed

There are five steps in determining infrastructure costs.

1. First, Local WDBs and Chief Elected Officials (CEO) finalize list of One-Stop delivery system partners.
2. Second, Local WDBs, CEOs, and partners identify One-Stop delivery system locations and determine types of locations (comprehensive and/or virtual, satellite, affiliate etc.).
3. Third, Local WDBs, CEOs, and partners determine the services to be provided through the One-Stop delivery system.
4. Fourth, Local WDBs, CEOs, and partners develop and agree on a One-Stop delivery system line item budget. The budget includes the costs for the One-Stop delivery system <u>infrastructure</u> (WIOA Sec. 121(h)(4)), <u>shared costs</u> (WIOA Sec. 121(i)(1)), which may also include costs for <u>shared services</u> (WIOA Sec. 121(i)(2)).
5. Fifth and finally, the Local WDB and partner programs enter into an MOU that includes an Infrastructure Funding Agreement (IFA).

C. State Calculation of State Agency Infrastructure Costs

Local WDBs and CEOs have the option to allow the State Workforce Development Board (SWDB) to calculate the appropriate statewide infrastructure costs and additional costs for all State agencies. Each State agency will then negotiate the IFA with the Local WDBs based upon the recommended amounts determined by the SWDB.

D. Detailed Information

Partner Identification: Finalize the list of One-Stop partners by identifying the entities and contacts within those entities who represent the required partners. If a required partner program is not active in a LWDA, they are not included. Adult Education and Career and Technical Education may have multiple partners in a LWDA. A Job Corps contractor who is recruiting in a LWDA is the required partner if no Job Corps training center exists.

Location Negotiations: The first step in this process is to identify all comprehensive One=Stop Centers in the LWDA and to identify all affiliate centers that have more than one program present in the Center. For comprehensive Centers, partners are identified based on the methodology used to ensure access to the program through the comprehensive Center. For affiliate Centers, partners are identified based on who is physically present in that Center. Specialized Centers are not included in this negotiation option as they do not have shared costs.

Budgets: A separate and unique budget is developed and agreed upon for each location. These budgets can be combined into one cost sharing agreement, or cost sharing agreements can be signed for each comprehensive or affiliate Center separately. The final IFA must include a statement attesting to agreement with the overall system budget and each partner's share of the budget, not just a partner's own share. The inclusion of this statement ensures that all partners agree upon the budget as required by federal guidance.

Budget Components: Budgets will include the infrastructure categories listed in the law and regulations (rent, utilities and maintenance, equipment, technology to facilitate access, and common identifier costs). Additional costs that are common to multiple partners may also be identified, including the shared costs or additional costs.

Allocation Basis: A unique allocation basis will be agreed upon for each unique location. The method to determine basis for allocation must be explained in the IFA document.

Comprehensive Site Access: Three different allocation methods may be used for the comprehensive Center based on the method of access used.

1. All partners who are co-located will agree upon an allocation methodology for the budget that includes rent, utilities and maintenance, equipment,and common identifier costs.
2. All partners who ensure access through a direct linkage will agree upon a budget and an allocation methodology that includes the technology to facilitate access.
3. All partners who ensure access through cross-training of staff will agree upon a budget.

Non-cash Contributions:
Partners who ensure access through a direct linkage, such as a dedicated telephone line or an online program, will support the costs of that access and count it as a cash or non-cash contribution. For example, a partner may directly purchase equipment or a software license and the value of that purchase would be the in-kind contribution. Or a partner may cover with cash the port charges or data access fees associated with the platform that provides the linkage, such as a phone line or Ethernet port.

Partners who ensure access through cross-training of staff will examine the number of customers enrolled in their programs at their specialized centers who are also enrolled in a program at the comprehensive center. The proportionate costs of the infrastructure at the specialized center will be counted as a non-cash contribution to cover the proportionate use of the comprehensive center.

Reconciliation Process: Each LWDA should establish a schedule to reconcile projected costs to actual costs at least quarterly. Specific timing should be determined by the partners based on their accounting procedures.

E. Infrastructure Funding Agreements (IFA)

The decisions made by local areas on the contributions of each partner must be formalized into an IFA. The IFA is a required part of the service delivery MOU between each LWDB and partner programs. An IFA must contain a number of elements:

- It must specify the effective time period, which may be different from that of the duration of the MOU;
- It must specify both an infrastructure and shared services budget;
- It must identify all of the One-Stop partners, the CEOs, and the Local WDB participating in the IFA; and
- It must contain a description of the periodic review and reconciliation process to ensure equitable benefit among partners.

The IFA becomes a part of the MOU once it is finalized.

IV. MONITORING OF IMPLEMENTATION

Each Local WDB is required to establish MOUs with partner programs that indicate how infrastructure costs are contributed and if a local formula or the state funding mechanism is being utilized.

V. TIMELINE AND KEY DATES

Infrastructure costs contributions are intended by the WIOA law and the final regulations to be agreed upon locally by the WDB and partners. **Local areas must reach an agreement with all partners by May 1, 2020** on the infrastructure formula or they will be subject to the statewide formula. Notice must be sent by each WDB to OWDlocalplan@dhewd.mo.gov by **March 2, 2020** indicating if a local agreement has been reached or not. **The Infrastructure Funding Agreements (IFA's) must be included in partner MOUs effective July 1, 2020.**

VI. IMPLEMENTATION DATE:

Immediately upon receipt.

VII. INQUIRIES:

Please direct all inquiries to **OWDLocalPlan@dhewd.mo.gov**