

✓ WIOA MOUs and Infrastructure Costs

SMART 3.0 Training
Dallas, TX
May 29-31, 2019

1

✓ Today's Speakers

 <p>Ramona Melo Systems Accountant U.S. Department of Labor – Region 1 Boston, MA Melo.Ramona.D@dol.gov</p>	 <p>Debbie Strama Fiscal Policy Unit Supervisor U.S. Department of Labor OGM/DPPR Chicago, IL Strama.Deborah@dol.gov</p>
--	--

2

✓ Module Overview

- ✓ Memorandums of Understanding (MOUs)
- ✓ Infrastructure Funding Agreements (IFAs)
- ✓ Types of Infrastructure Costs
- ✓ Funding Mechanisms (Local and State)
- ✓ Uniform Guidance – Cost Principles
- ✓ Allocation Methodologies
- ✓ Lessons Learned & Challenges



3

Grant Management Toolbox

UG 2 CFR 200 and 2 CFR 2900
 Technical Assistance Guides (TAG)
 Core Monitoring Guide (CMG)
 SMART Training
 Grantee Handbook
 WorkforceGPS

DOL Grant Recipients & Subrecipients

4

Grant Management Toolbox References

SMART Training
 Core Monitoring Guide
 Technical Assistance Guides
 ETA Grantee Handbook
 WorkforceGPS Resources

5

Terms & Definitions

One-Stop Operating System Budget
 Infrastructure Funding Agreements
 Career Service Costs
 Local Funding mechanism
 Relative Benefit methodologies
 State Funding mechanism
 Statewide Caps & Limitations

6

✓ MOUs

7

“The MOU is the **product of local discussion and negotiation**, and is an agreement developed and executed between the Local WDB and the one-stop partners, with the agreement of the chief elected official and the one-stop partners, relating to the operation of the one-stop delivery system in the local area.”

~ [20 CFR 678.500\(a\)](#)

8

✓ Benefits of MOUs

- ✓ Expands services for all levels of skill & experience
- ✓ Access to multiple employment and training resources.
- ✓ Integrated & aligned business services among partners
- ✓ Expert advice from multiple sources
- ✓ Expanded community & industry outreach
- ✓ Efficient use of accessible information & technology

9

✓ Key Elements of the MOU

[20 CFR 678.500](#)

Services	One-Stop Operating Budget	Infrastructure Funding Agreement	Referrals	Access
Duration	Other Contributors	Modification Process	Signatures	Appeals

10

10

✓ One-Stop Required Partners – Core Programs

- ✓ Programs authorized under a WIOA core program provision.
- ✓ Required by WIOA - the implementing agency for core programs are considered as required partners.
- ✓ Vital to help individuals with barriers to employment, including individuals with disabilities, obtain the support they need to successfully participate in and complete WIOA career, training, supportive services and ultimately, obtain unsubsidized employment.

11

11

✓ Required Core Partners

Section 212(b)(2)(D) and 20 CFR 678.500

REQUIRED ONE-STOP PARTNERS	
WIOA Title I Programs	Adult, Dislocated Workers, and Youth Job Corps YouthBuild National Farmworker Jobs Program (NFJ) Native American Programs
Department of Labor	Wagner-Peyser (Employment Services) Sector Councils Sector Community Service Employment Program (SCSE) Trade Adjustment Assistance (TAA) Program Unemployment Compensation (UC) Programs Grants for Veterans State Grants (VSG) Programs Rural Employment Opportunities (REOP) programs authorized under sec. 212 of the Social Security Act of 1935 (42 U.S.C. 17532) and WIOA sec. 188
Department of Education	State Dislocation and Family Literacy Act programs authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 722 et seq.), as amended by WIOA title II Career and technical education programs at the postsecondary level authorized under the Carl D. Perkins Career and Technical Education Act of 2006
Department of Housing and Urban Development	Employment and training activities carried out by the HUD
Department of Health and Human Services	Employment and training activities carried out under the Community Services Block Grant (CSBG) program Temporary Assistance for Needy Families (TANF)

12

12

ETA National Programs

- ✓ Job Corps
- ✓ Senior Community Service Employment Program (SCSEP)
- ✓ Reentry Opportunity Employment (REO) under Second Chance Act of 2007
- ✓ National Farm Jobs Program (NFJP)
- ✓ Youth Build Grants (YB)

13

Allocation of the Infrastructure Costs Funding Process

14

Identifying One-Stop Operating costs

✓ **TEGL: 17-16**, Infrastructure Funding of the One-Stop Delivery System

15

One-Stop Operating Budget

The one-stop operating budget is the financial plan that one-stop partners, the CEO, and the Local WDB agree to in the MOU that will be used to achieve the goals of delivering services in a local area.

✓ The one-stop operating budget contains cost categories that are specifically identified in the statute:

- ▶ Infrastructure Costs
- ▶ Additional Costs:
 - Must include applicable Career Services
 - May include Shared Costs and Shared Services that are related to the operation of the one-stop

16

One-Stop Operating Budget - AJC

✓ Infrastructure Costs:

- ▶ Facility Costs
 - Space costs – lease agreements, depreciation costs
 - Utility Costs – heat, electric, etc.
 - Insurance – building
 - Equipment – adaptive technology
 - Security Costs
 - Maintenance Costs
 - Signage related costs
 - Contracts related to facility, building, etc.
- ▶ Costs the keep the building open, etc.
- ▶ CANNOT INCLUDE ANY PERSONNEL COSTS

17

Infrastructure Costs

WIOA Sec. 121(h)(4) and [20 CFR 678.700](#)

✓ **Non-personnel** costs necessary for the general operation of the One-Stop center, including but not limited to:

- ▶ Applicable facility costs (such as rent)
- ▶ Costs of utilities and maintenance
- ▶ Equipment (including physical modifications to the center for access, assessment-related products, and assistive technology for individuals with disabilities)
- ▶ Technology to facilitate access to the One-Stop center, including technology used for the center's planning and outreach activities
- ▶ Local Workforce Development Boards (WDB) may consider common identifier costs as costs of One-Stop infrastructure

18

Infrastructure Funding Agreement

- ✓ The Infrastructure Funding Agreement (IFA) contains the infrastructure costs budget that is an integral component of the overall one-stop operating budget.
- ✓ It is strongly recommended that the IFA be negotiated along with additional costs when developing the operating budget for the local one-stop system.
- ✓ Similar to MOUs, the Local WDB may negotiate an umbrella IFA or individual IFAs for one or more of its one-stop centers.

19

19

Key Elements of the IFA

- a) The period of time in which the IFA is effective (which may be a different time period than the duration of the MOU);
- b) Identification of the infrastructure costs budget
- c) Identification of all One-Stop partners, CEO(s), and the Local WDB participating in the IFA;
- d) A description of the periodic modification and review
- e) Information on the steps the Local WDB, CEO(s), and One-Stop partners used to reach consensus or the assurance local area followed SFM process; and
- f) A description of the process to be used among partners to resolve issues related to infrastructure funding during the MOU duration period when consensus cannot be reached.

20

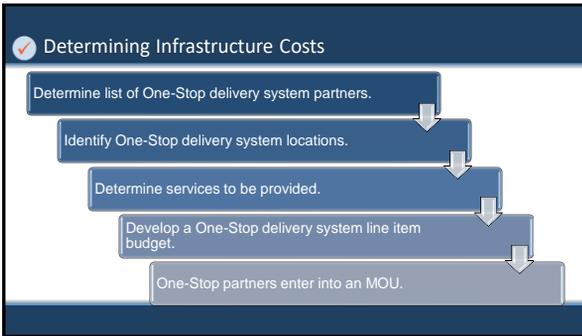
20

How do partners determine their infrastructure costs contributions?

- ✓ Memorandum of Understanding (MOU) and Infrastructure Funding Agreement (IFA)

21

21



22

Additional Costs

- ✓ **Applicable Career Services** Shall include the costs of the provision of career services in section 134(c)(2), as applicable to each program
- ✓ **Other Costs** Shared services that are authorized for and may be commonly provided through One-Stop partner programs, such as:
 - Initial intake
 - Assessment of needs
 - Appraisal of basic skills
 - Identification of appropriate services
 - Referrals to other One-Stop partners
 - Business services

WIOA Sec. 121(i)(1) & (2) 20 CFR 678.760 (a) & (b)

23

Attention

All partner contributions to the costs of operating and providing services within the One-Stop center system must:

- ✓ Be relative to the **proportionate** use of the center and the benefits received,
- ✓ Adhere to the partner program's federal **authorizing statute, and**
- ✓ Adhere to the **Federal cost principles** requiring that costs are reasonable, necessary and allocable.

24

Cost Allocation

[2 CFR 200.4](#)

- ✓ Partners select their methodologies for cost allocation
- ✓ Select an allocation base
- ✓ Assign the costs to a cost objective
- ✓ Calculate proportionate use of the center
- ✓ Measure relative benefits
- ✓ Allocate costs based on selected method

25

25

Proportionate Use & Relative Benefit

- ✓ Proportionate Use refers to a partner program contributing its fair share of the costs proportionate to: (1) the use of the AJC by customers that may include reportable individuals and participants in its program at that AJC; (2) the amount of square footage occupied by the partner program in the AJC; or (3) another allocation base, such as staff FTEs, consistent with the Uniform Guidance.
- ✓ Relative benefit is the result when costs are allocated based on an acceptable methodology that reflects your share of benefit received.
- ✓ Relative benefit is determined by selecting a base that aligns with the type of costs and with your program deliverables.
- ✓ Relative benefit is the end result after infrastructure costs are allocated to your program based on a common base, which reflects your share of costs.

26

26

Core Partners Located On-Site at the AJC

[TEGL 17-16](#) Infrastructure Funding of the One-Stop Delivery System

- ✓ Core Partners that are physically located on-site at the AJC:
 - ▶ All Infrastructure Costs are identified by the Core Partners;
 - ▶ Common base is select for either:
 - › Each line item cost, or (space, utilities, etc.)
 - › Total Infrastructure costs (total costs / base)
 - ▶ Common Bases are:
 - › Square feet occupied by each Core Partner located at AJC
 - › FTE of each Core Partner located at the AJC
 - › Program enrollments under each program
 - ▶ The base utilized must be consistently applied to either the cost or group of costs for all entities located on-site.

27

27

✓ Required Partners located Off-Site/Affiliated AJCs

- ✓ Cost allocation methods vary for on-site v. affiliated AJCs since these are differing situations;
- ✓ Affiliated AJCs can use a different allocation base to reflect their situation;
 - ▶ Use SF doesn't work if not located on-site
 - ▶ FTE doesn't work if staff are not located at the comprehensive AIC
- ✓ Required Partners need a different allocation base to reflect their level of "Relative Benefits" when allocating Infrastructure Costs.
- ✓ The Base to allocate costs must be consistent with other off-site Core Partners;

28

28

✓ Affiliated Center Core Partners

- ✓ Acceptable allocation bases for off-site Core Partners
 - ▶ Referrals from the Comprehensive AIC to your program
 - › Program A referrals / All customers served by all Core Partners
 - › Program A enrollments / Total AIC enrollments
 - › These would include all referrals and enrollments; includes individuals who come directly to your location;
 - › Select a base that is commonly measured, tracked and applicable to all Core Partners located off-site at affiliated locations.

29

29

✓ Sample MOU and Infrastructure Toolkit

[Sample MOU and Infrastructure Toolkit](#) located on WorkforceGPS

- ✓ Sample MOU
- ✓ Sample MOU Cost Allocation and Partner Contributions
 - ▶ A County
 - ▶ B County
 - ▶ C County
 - ▶ TOTAL



30

30

 Knowledge Check – Questions

✓ Which of the following are required One-Stop partner programs?

- National Farmworker Jobs Program/Migrant and Seasonal Farmworker
- Unemployment Compensation
- Trade Adjustment Assistance
- Adult and Family Literacy Programs
- Temporary Assistance for Needy Families

31

31

 Knowledge Check – Answers

✓ Which of the following are required One-Stop partner programs?

- ✓ National Farmworker Jobs Program/Migrant and Seasonal Farmworker
- ✓ Unemployment Compensation
- ✓ Trade Adjustment Assistance
- ✓ Adult and Family Literacy Programs
- ✓ Temporary Assistance for Needy Families

All are Required Partners

32

32

 How Can Partners Pay For Infrastructure Costs?

✓ Types of Infrastructure Funding

33

33

Third-Party In-kind Contributions – definition

20 CFR 678.720(c)(4)

- ✓ 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, not a specific partner; or
- ✓ Contributions by a non-One-Stop partner of space, equipment, technology, non-personnel services, or other like items to support the infrastructure costs associated with One-Stop operations, to a One-Stop partner to support its proportionate share of One-Stop infrastructure costs.

37

37

Third-Party In-kind Contributions – Voc Rehab Example

- ✓ Vocational Rehabilitation Programs
- ✓ Pursuant to 34 CFR 361.60, a VR agency may not use third-party in-kind contributions for match purposes under the VR program.
- ✓ There is nothing in 34 CFR 361.60 that prohibits a VR agency from using third-party in-kind contributions to pay for its share of the One-Stop operating costs, including infrastructure costs.

38

38

Third-Party In-kind Contribution – Rent-free Space Example

- ✓ A city government allows the One-Stop to use city space rent free.
 - ▶ This in-kind contribution would not be associated with one specific partner, but rather would go to support the One-Stop generally and would be factored into the underlying budget and cost pools used to determine proportionate share (valued in accordance with 2 CFR 200.306).
 - ▶ The result would be a decrease in amount of funds each partner contributes as the overall budget will have been reduced.

39

39

Third-Party In-kind Contribution – Equipment Example

- ✓ A business partner provides assistive technology to a vocational rehabilitation program who then gives it to the One-Stop.
 - ▶ So long as assistive technology was in the One-Stop operating budget's infrastructure costs, the partner could value the assistive technology and use the value to count towards its proportionate share (valued in accordance with [2 CFR 200.306](#)).

40

40

Important

- ✓ Both non-cash and in-kind contributions must be valued consistent with [2 CFR 200.306](#) (cost sharing or matching) and reconciled on a regular basis ([20 CFR 678.730\(5\)](#)) to ensure they are fairly evaluated and meet the proportionate share of the partner.
- ✓ All partner contributions, regardless of the type, must be reconciled on a regular basis (i.e., monthly or quarterly).
 - ▶ Compare actual expenses incurred to relative benefits received.
 - ▶ Ensure each partner program is contributing its proportionate share in accordance with the terms of the MOU.

41

41

Contribution Requirement & Statewide Caps

WIOA Sec. 121(b)(1)(A)(ii)
[20 CFR 678.738](#)

Each entity that carries out a program or activities through a local One-Stop center must use a portion of the funds available for the program and activities to maintain the One-Stop delivery system, including payment of the infrastructure costs of One-Stop centers.

42

42

Funding Mechanisms

<p>Local Funding Mechanism</p> <ul style="list-style-type: none"> ✓ Consensus regarding the IFA is reached. ✓ Partner contributions may be limited by program statute or regulations. 	<p>State Funding Mechanism</p> <ul style="list-style-type: none"> ✓ Consensus regarding the IFA is <u>not</u> reached. ✓ Beginning in PY17, the Governor, in consultation with CEOs, local WDBs, and the State WDB, determines partner contributions. ✓ Specified caps are in place for Partner contributions.
--	--

43

43

Local Funding Mechanism

One-Stop partner programs may determine what funds they will use to pay for infrastructure costs.

- ✓ The use of these funds must be in accordance with:
 - ▶ Requirements in [20 CFR 678.720](#), and
 - ▶ Partner's authorizing statutes and regulations.
- ✓ There are no specific caps on the amount or percentage of funding a One-Stop partner may contribute, except that contributions may not exceed the amount available for administrative costs under the authorizing statute of the partner programs.

44

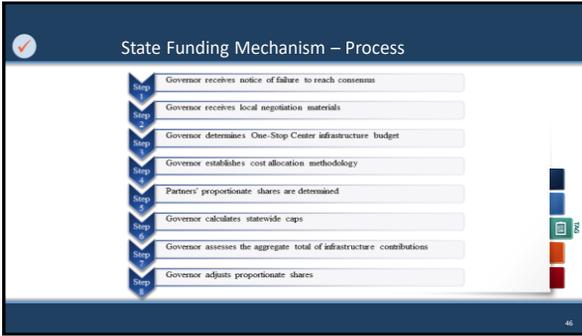
44

State Funding Mechanism

- ✓ Governors determine required One-Stop partner contributions in accordance with [20 CFR 678.730 – 678.738](#).
- ✓ Governors' determination of the required One-Stop partner contributions is subject to the funding caps outlined in [20 CFR 678.738\(c\)](#).

45

45



46

The Appeal Process

When and how can a one-stop partner appeal a one-stop infrastructure amount designated by the [State](#) under the [State](#) infrastructure funding mechanism?

- ✓ This appeal process must be described in the Unified State Plan.
- ✓ The appeal may be made on the ground that the Governor's determination is inconsistent with proportionate share requirements
- ✓ The process must ensure prompt resolution of the appeal
- ✓ The one-stop partner must submit an appeal in accordance with State's deadlines for appeals specified in the guidance

47

Career Service Costs

Must use a portion of funds made available to a Core Partner's program to:

- ✓ Provide Career Services
- ✓ Jointly fund the One-Stop System Infrastructure costs
- ✓ Career Services that are to be made available by the Core Partner in the AIC and are defined at [20 CFR 361.425](#)

Shall include the costs of the provision of career services in section 134(c)(2), as applicable to each program

48

✓ Shared Operating Costs and Shared Services

Shared services that are authorized for and may be commonly provided through One-Stop partner programs, such as:

Initial intake	Identification of appropriate services	Assessment of needs
Referrals to other One-Stop partners	Appraisal of basic skills	Business services

49

49

✓ Other Contributions

- ✓ Must include contributions made to the one-stop system through other avenues, such as donations made by a non-partner entity (e.g., a local business donating computers for a learning lab).
- ✓ Third-party in-kind contributions made to supplement the operation of the American Job Center must also be documented.

50

50

✓ When to Renew the MOU

20 CFR 678.500(b)(6)

- ✓ Each MOU must contain assurances that the MOU will be reviewed, and if substantial changes have occurred, renewed, not less than once every 3-year period to ensure appropriate funding and delivery of services.
- ✓ Changes must be made to the MOU for changes to
 - ▶ Signatory official of the Board,
 - ▶ One-stop partners,
 - ▶ Chief elected officials (Ensures newly-elected official is aware of local one-stop partners, as well as the terms and conditions of the MOU)
 - ▶ One-stop infrastructure funding
 - ▶ A one-stop partner's infrastructure cost contributions based on appeal to the State

51

51

✓ Renewal and Modification

20 CFR 678.500(b) During the rollout process of an MOU, a Local WDB should make all Partners aware of the requirements concerning modification and renewal of the MOU (TEGL 16-16, RSA TAC 17-02, and OCTAE Program Memo 17-4, One-Stop Operations Guidance for the AIC Network):

- ✓ Renewal of an MOU requires all parties to review and agree to all elements of the MOU and re-sign the MOU.
- ✓ Amendment or modification of the MOU only requires the parties to review and agree to the elements of the MOU that changed.
- ✓ Non-substantive changes to the MOU, such as minor revisions to the budget or adjustments made due to the annual reconciliation of the budget, do not require renewal of the MOU.
- ✓ Substantial changes, such as changes in One-stop partners, or a change due to the election of a new CEO, will require renewal of the MOU.
- ✓ Be mindful that regular MOU reviews must be conducted and, if substantial changes have occurred, renewals, must be completed at least every three (3) years.

52

52

✓ Lessons Learned in the Field

- ✓ Lack of policy & guidance from State;
- ✓ Overly prescriptive policy guidance from State;
- ✓ Agreements without all Core Partners;
- ✓ Incorrect Infrastructure Cost budgets;
- ✓ ETA programs not included in IFA (YouthBuild, REO, SCSEP, Job Corps, etc.);
- ✓ Agreeing on allocation bases (on-site & off-site) for Core Partners;

53

53

✓ Module Review

- ✓ MOUs
- ✓ IFAs
- ✓ Funding Mechanisms
- ✓ Shared Cost Agreements



54

54

