Myth Busters

WIOA American Job Center (AJC) Services

Myths are misconceptions that interfere with the ability to fully implement an integrated workforce development system as envisioned under the Workforce Innovation and Opportunity Act (WIOA). Myths may result from misunderstanding laws and regulations and from lack of experience with other workforce partners. Listed below are some myths and the facts that provide the real story:

Infrastructure Funding Agreements (IFAs) and Cost Sharing

Myth:

Affiliated one-stops, or American Job Centers (AJCs), do not have to be included in the infrastructure funding agreement (IFA).

Fact:

A local area's one-stop delivery system may be made up of a combination of a comprehensive one-stop centers, that must include at least one comprehensive physical center, and may also include an affiliated site or network of affiliated sites, a network of eligible one-stop providers, and specialized centers.

One stop partners are required to participate in the comprehensive one stop centers. If a one stop partner also elects to participate in an affiliated site or a specialized center, it must also support the infrastructure costs associated with those sites. A separate IFA can be negotiated or it can be included in the IFAs for comprehensive AJCs.

Affiliated AJCs are considered part of the one-stop delivery system and those required partners at that site must contribute to the infrastructure costs of that particular affiliated AJC.

Myth:

Additional costs are included with infrastructure costs in the IFA.

Fact:

The MOU operating budget includes infrastructure costs and additional costs, but the IFA is limited to infrastructure costs. However, like infrastructure costs, additional costs must be allocated to partners based upon proportionate use and relative benefits received.

Myth:

Only one cost allocation methodology is available for Locals to use to determine proportionate share in the IFA.

Fact:

The specific methodologies used to allocate costs among the one-stop partners are not prescribed in the Workforce Innovation and Opportunity Act (WIOA), its implementing regulations, the Uniform Guidance, or in joint policy guidance. Each local one-stop delivery system is unique and presents a different set of circumstances within which costs are allocated. Infrastructure costs must be allocated and charged to each partner in proportion to its use of the one-stop center and relative benefit received from that use.

When developing the local MOU, Local Workforce Development Boards (WDBs) and partner programs may choose from any number of methodologies, provided they are consistent with WIOA, its implementing regulations, and the Uniform Guidance—including the Federal Cost Principles. Key to this selection is choosing the methodology that best fits the unique circumstances within which the one-stop must operate.

Partner programs may agree to select different cost allocation methodologies and allocation or distribution bases for cost objectives within infrastructure costs. Lastly, partners should focus on identifying methodologies that most effectively allocate costs based upon proportionate use and relative benefits received by the partners.

Myth:

A program that is a required one-stop partner and is not physically located in the AJC does not have to pay infrastructure costs.

Fact:

Even if a one-stop partner program is not physically located in the AJC, WIOA requires all one-stop partners to contribute funding (cash, non-cash, and third-party in-kind contributions) to establish and maintain the one-stop delivery system, including its infrastructure costs, based upon each partner's proportionate use of the system and the relative benefits received. All required partners contribute, at different levels, using the agreed upon allocation methodology.

A required partner must provide access to its services in one of three ways: (1) have staff physically present at the AJC; (2) have appropriately trained partner staff physically present at the AJC; or (3) have a direct linkage through technology to program staff that can provide meaningful information or services.

The financial contributions of one-stop partners that provide access to programs and services through a direct linkage may be different than those one-stop partners with a physical presence, and therefore, different allocation methods would be appropriate. For example, there may be technology costs to support direct linkages between the AJC and one-stop partners located off site, and may require a different distribution base to allocate costs versus costs such as rent.

Myth:

A required one-stop partner may simply be told by the Local WDB how much they owe in infrastructure costs, rather than participate in the IFA negotiations, as well as additional costs.

Fact:

No. Partner programs must enter negotiations at the local level. The local infrastructure funding mechanism is intended to encourage local areas to make a good-faith effort to reach consensus in developing a local agreement. Each local one-stop partner's share of infrastructure costs must be negotiated and specified in the IFA. The local funding mechanism affords local WDBs and local one-stop partner programs flexibility to design and fund a one-stop delivery system through consensus, to meet the needs of their local or regional area by leveraging the funds and resources available to partners, and to optimally provide program services.