

WIOA ONE-STOP INFRASTRUCTURE FUNDING AGREEMENT REQUIREMENTS

Presented by:
The U.S. Department of Labor
Employment and Training Administration
Philadelphia Regional Office

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Today's Presenters

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Today's Objectives

- ✓ To convey the significance of the Infrastructure Funding Agreement within the WIOA One-Stop delivery system.
- ✓ To provide foundational knowledge to facilitate understanding of the Infrastructure Funding Agreement as it relates to the WIOA One-Stop MOU.
- ✓ To clarify definitions, required partners and funding sources and mechanisms.
- ✓ To address questions, concerns or comments that our grantees have.

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Today's Agenda

- ❖ Intent
- ❖ Overview of Infrastructure Costs and Infrastructure Funding Agreement (IFA)
- ❖ Partner Roles and Responsibilities
- ❖ IFA Elements
- ❖ Types of Funding
- ❖ Questions and Answers



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Intent


WIOA makes improvements to the public workforce system including a requirement that partners **dedicate funding for allowable infrastructure and other shared costs** that are allocable to the partner and in proportion to the partner's use and the relative benefit received by the partner program.

20 CFR 678.700 – 678.755

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Polling Question

1) Have you worked with your partners in negotiating one-stop operating costs?

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Infrastructure Costs

- **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

WIOA Sec. 121(h)(4) 20 CFR 678.700

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Infrastructure Funding Agreement

- ❖ IFAs (formerly referred to as Resource Sharing Agreements or RSA) are a **mandatory component of the local MOU** described in section 121(c) of WIOA.
- ❖ The IFA is part of the MOU; it is not considered a separate agreement.
- ❖ Changes in the One-Stop partners or an appeal of a One-Stop partner's infrastructure cost contributions will require a modification to the MOU.

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Infrastructure Funding Agreement ...continued

- ❖ An IFA describes a reasonable cost allocation methodology, where infrastructure costs are charged to each partner:
 - ◆ Based on partners' proportionate use of the One-Stop center,
 - ◆ Relative to the benefit received from the use of the One-Stop center, and
 - ◆ Consistent with Federal cost principles at 2 CFR part 200.

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Partner Roles

Section 121(b)(1)(A)

- ❖ Provide **access** to program services and activities through the One-Stop delivery system.
- ❖ Participate in the **operation** of the One-Stop system
- ❖ Enter into a local **memorandum of understanding** with the local WDB relating to the operation of the One-Stop system, which includes the IFA.
- ❖ Provide **representation** on the State board in accordance with the specific programmatic requirements of WIOA.



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Partner Contribution Requirement

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.



WIOA Sec. 121(b)(1)(A)(ii)
20 CFR 678.700(c)

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ATTENTION

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

- ❖ Be **proportionate** to the relative 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.



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Polling Question

2) How many have already signed an MOU?

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IFA Elements

- ❖ Effective time period (which may be a different time period than the duration of the MOU),
- ❖ Infrastructure costs and shared costs budget (including career services and other shared services),
- ❖ Identification of all One-Stop partners, chief elected officials, and local WDB participating in the infrastructure funding agreement,
- ❖ Steps the local WDB, chief elected officials, and One-Stop partners used to reach consensus or an assurance that the local area followed the guidance for the State funding process, and
- ❖ A description of the periodic review and reconciliation process to ensure equitable benefit among One-Stop partners.

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Types of Infrastructure Funding

Per 20 CFR 678.720 (c), Infrastructure costs can be provided as:

- ◆ cash,
- ◆ non-cash contributions, or
- ◆ third party in-kind contributions.



Cash contributions are cash funds provided to the local WDB (or its designee) by One-Stop partners, either directly or by an interagency transfer.

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Non-cash Contributions

- ❖ Non-cash contributions are comprised of:
 - ◆ Expenditures incurred by One-Stop partners on behalf of the One-Stop center;
 - ◆ Non-cash contributions or goods or services contributed by a partner program and used by the One-Stop center; and
 - ◆ Must be valued consistent with 2 CFR 200.306 to ensure they are valued fairly evaluated and meet the partner's proportionate share.

20 CFR 678.720 (c)(3)

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EXAMPLE Non-cash Contributions

- ❖ In PY 2017, a partner's proportionate share of the One-Stop operating costs is \$15,000.
- ❖ The partner does not have sufficient cash or other resources to fully fund its share, and wishes to donate (not for its own individual use) gently used surplus office furniture. The furniture was purchased using non-Federal funds in 2015 for \$18,500.
- ❖ The furniture has a current fair market value of \$10,000 and a depreciated value of \$11,100.
- ❖ In accordance with the requirements of 2 CFR 200.306 (d), the value of the contribution is the lesser of the two amounts.
- ❖ The partner would be able to use the \$10,000 value as its one-time contribution and would need to find additional resources for the remaining \$5,000.

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Third-party In-kind Contributions

- ❖ 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.

20 CFR 678.720 (c)(4)

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Third-party In-kind Contributions ...continued


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.

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Third-party In-kind Contribution


EXAMPLE


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- ❖ 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.

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Third-party In-kind Contribution


EXAMPLE


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- ❖ 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).

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ATTENTION

- ❖ Both non-cash and in-kind contributions must be **valued consistent with 2 CFR 200.306** and **reconciled on a regular basis** 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.



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Regulations

- ◆ 20 CFR 678.715(a)

“ In the **local funding mechanism**, the local WDB, chief elected officials, and One-Stop **partners agree to amounts and methods of calculating amounts** each partner will contribute for One-Stop infrastructure funding, include the infrastructure funding terms in the MOU, and sign the MOU.”



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Polling Question

3) How many have informed their State that they **CANNOT** reach consensus on their local Infrastructure Funding Agreement?



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Funding Mechanisms

Local Funding Mechanism	State Funding Mechanism
<ul style="list-style-type: none">❖ Consensus regarding the IFA is reached. 	<ul style="list-style-type: none">❖ Consensus regarding the IFA is not reached. 
<ul style="list-style-type: none">❖ Partner contributions may be limited by program statute or regulations.	<ul style="list-style-type: none">❖ Beginning in PY'17, the Governor, in consultation with CEOs, local WDBs, and the State WDB, determines partner contributions.❖ Specified caps are in place for Partner contributions.

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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.



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Regulations

- ◆ 20 CFR 678.730(b)

“ In the State funding mechanism, the Governor, subject to the limitations in paragraph (c), determines One-Stop partner contributions after consultation with the chief elected officials, local WDBs, and the State WDB. ”



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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).
- ❖ Details of the State Funding Mechanism will be addressed in Part II of this webinar series.




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Web Resources

- ❖ Uniform Guidance and Federal Cost Principles
<https://grantsapplicationandmanagement.workforcegps.org/>
<https://www.workforcegps.org/ForGrantees>
- ❖ **Sample MOU and Infrastructure Costs Toolkit** available at <https://ion.workforcegps.org/>.




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Question and Answers




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Questions?

Please e-mail your questions to:
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THANK YOU



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