

Connecticut Department of Labor WIOA Policy One-Stop Center Infrastructure Cost-Sharing Agreements

1. Purpose: This Issuance conveys guidance for Local Workforce Development Boards (WDBs), Chief Elected Officials (CEOs), and one-stop center Required Partners to manage creation of a local infrastructure cost-allocation agreement (IFA). The deadline for advising the State of an impasse in completing the agreement is given, as is the deadline for submission of infrastructure budgets. Procedures are discussed whereby a State-determined infrastructure-cost allocation mechanism would be triggered if a local agreement is not reached prior to the State deadline. The appeals process for disputing the contribution required of a one-stop partner by such a State mechanism is described.

2. Background: The Workforce Innovation and Opportunity Act (WIOA) requires local WDBs to develop and finalize a Memorandum of Understanding (MOU) among itself and its Required Partners, with the agreement of the Chief Elected Official, for the Local Workforce Development Area (LWDA). The MOU coordinates operation of the local one-stop delivery system, provision of programs and services, and apportionment of costs. The Office of Workforce Competiveness (OWC) previously issued initial IFA and MOU guidance, GP 17-02.

WIOA requires that the MOU include details on how the Local WDB, CEO, and one-stop center Required Partners will fund one-stop infrastructure costs for all comprehensive one-stop centers in the local area. It is recommended that any infrastructure cost-sharing agreement for affiliated-site costs be negotiated separately from the statutorily required cost-sharing agreement covering comprehensive one-stop centers.

WIOA sec. 121(h) mandates that the State, through the designated authority of the Governor, provide guidance to assist local WDBs, CEOs, and one-stop partners to determine equitable and stable methods to fund one-stop center infrastructure costs. The cost-allocation methodology must be in accord with Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR Parts 200 and 2900.

WIOA and its implementing regulations also require that the State's guidance include timelines for Local WDBs to notify the State if local infrastructure cost-allocation negotiations reach an impasse.

If the Local WDB and the required partners are unable to conclude *and sign* a local infrastructure cost-sharing agreement for the ensuing Program Year before the State's deadline, WIOA gives the State no recourse but to impose an alternative State infrastructure cost-allocation mechanism. This is *not* an alternative to the local funding agreement. It is a statutory *consequence* triggered by an inability of the concerned parties in the LWDA to self-determine a funding plan.

3. Substance:

State Guidelines

In compliance with WIOA sec. 121(h)(1)(B)(ii) and the implementing rules at 20 CFR 678.700-678.55, as well as US Department of Labor Guidance letters, e.g. Training and Employment Guidance Letter 17-16, OWC herewith issues Attachment 1 to this issuance containing the "Connecticut WIOA Infrastructure Cost Sharing Guidelines."

Local MOU signatories are not bound to follow these recommendations; they may, in fact, adopt any local cost-allocation mechanism that is in accord with the Uniform Guidelines in 2 CFR Parts 200 and 2900. Nevertheless, we strongly encourage local WDBs, CEOs, and one-stop partners to develop their local infrastructure-cost allocation agreements using these guidelines.

Notice of Impasse

An agreement must be negotiated, signed, and in effect by **January 1, 2018**, therefore final IFAs are due by **December 1, 2017**. Local WDBs must provide a Notice of Impasse to OWC no later than **November 1, 2017** where local negotiations were unsuccessful. This notification may originate with the Local WDB, the CEO, or any one of the Required Partners.

Budgets

Local budgets upon which the local infrastructure cost-allocation agreements will be based must be submitted to OWC by **November 1, 2017**. These will be reviewed by OWC and the WIOA Administration Unit. In the event of unsuccessful negotiations for a local infrastructure cost- allocation agreement, any budget approved by the Local WDB, CEO, and Required Partners will be used by the State as a basis for a State-imposed mechanism, as mandated by the WIOA Final Rules. If, by the State deadline for local cost-allocation agreements, there is also no locally approved infrastructure budget, the WIOA Final Rules require the State to determine that budget for the local area.

State Infrastructure Cost-Allocation Mechanism

If, by **December 1, 2017**, the local infrastructure cost-allocation mechanism has not been completed, signed, and submitted to the State, the State will be statutorily compelled to impose a State infrastructure cost-allocation mechanism as prescribed by WIOA sec. 121(h) and the Final Rules in 20 CFR Part 678. The specific allocations in this mechanism will be transmitted to the LWDB, the CEO, and the one-stop Required Parties for the local area prior to the start of January 1, 2018, if feasible.

The State mechanism generally makes fewer funds available than a local agreement. The U.S. Department of Labor notes in its preamble to the WIOA Final Rules, "...while under the local-funding mechanism partner programs may contribute through any funds allowed by their authorizing statutes, under the State funding mechanism, infrastructure funds must come from administrative funds for the majority of partner programs."

Appeals Process

Upon receipt of the specific terms of a State infrastructure cost-allocation mechanism, any local WDB or one-stop required partner may appeal for cause, within 21 calendar days, in writing (electronic or hardcopy) the State's determination regarding the portion of funds (or non-cash contributions) the Local WDB or required partner is to provide. To be officially received, an appeal must fully contain evidence of the following:

- An introduction identifying the appellant and designating the letter as a formal appeal
- Full citations from WIOA or the WIOA Final Rules in Title 29 or Title 34 of the *Code of Federal Regulations* that support the appeal.
- Identify the basis for the appeal. WIOA stipulates that a State mechanism allocation determination may be appealed *only* if the determination is inconsistent with the requirements of WIOA sec. 121(h)(2)(E). The Final Rule at 20 CFR 678.750 further limits admissible grounds for an appeal to

three possibilities. The petitioner must make a case that the State's determination is inconsistent with:

- the proportionate-share requirements in 20 CFR 678.737, or
 - the cost-contribution limitations in 20 CFR 678.730(c), or
 - the cost-contribution caps in 20 CFR 678.738
- The letter must be signed (electronic signature is acceptable) and dated.

Appeals must be submitted to OWC in one of the following manners:

- e-mail to Kathleen Marioni, Executive Director of OWC, at Kathleen.marioni@ct.gov; or
- fax to the CT DOL, Attention Kathleen Marioni, at (860)263 -6529; or
- mail to CT DOL, OWC, Attention Kathleen Marioni, 200 Folly Brook Boulevard, Wethersfield, CT 06109.

The State will acknowledge the appeal and return a determination from OWC under the designated authority of the Governor as quickly as feasible. Until the appeals process is completed, the appellant will remain liable for its contribution as originally determined in the State funding mechanism. If a one-stop partner's appeal to the State using the process described in 20 CFR 678.750 is successful and results in a change to the one-stop partner's infrastructure-cost contributions, then the WDB/partner MOU *must* be updated to reflect the final one-stop partner infrastructure- cost contributions.

4. Actions:

October 1, 2017

A status report on each IFA must be submitted to OWC. This should include draft IFAs if available.

November 1, 2017

Local WDBs must submit a Notice of Impasse to OWC in cases where the Board determines it is unlikely an IFA will be negotiated and finalized by December 1, 2017. Local WDBs must submit local budgets for the infrastructure costs for the local area's one-stop centers to OWC on or before this date. These budgets will be reviewed by OWC and WIOA Administration.

December 1, 2017

All successfully completed and signed WDB infrastructure cost-sharing agreements must be submitted to OWC by December 1, 2017. These will be reviewed by OWC and WIOA Administration.

If the local WDB has not finalized, signed, and submitted a local infrastructure cost-allocation mechanism to the State by December 1, 2017, the local WDB is required to notify the State. The State will in turn advise all signatories to the MOU that the infrastructure-cost allocations for PY 2017 (and for each subsequent program year for which the local WDB fails to reach such agreement) **will be determined by the State**, as required by WIOA sec. 121(h).

The State one-stop infrastructure funding mechanism will be applied per the requirements of WIOA sec. 121(h)(2) and the implementing regulations at 20 CFR 678.725 through 678.750, inclusive. All signatories to the MOU will receive the State's Notice of Application of State Infrastructure Cost-funding Mechanism, with determinations of allocations, as soon as practicable after the local WDB provides the State with materials and documents relating to the unsuccessful negotiation, as prescribed in 20 CFR 678.735(a).

Appeal Process Deadline

Within **21 calendar days** following receipt of a State Notice of Application of State Infrastructure Cost-funding mechanism, any local WDB or Required Partner may appeal its allocation determination for such causes and in such matter as described in this Issuance under “Appeals Process.”

5. Contact: Direct questions or comments regarding this issuance to Program Policy, Connecticut Department of Labor, at (860) 263-6755.
6. References: WIOA Section 121, “Establishment of one-stop delivery system.”
20 CFR Part 678, “Description of the one-stop delivery system under Title I of the Workforce Innovation and Opportunity Act,” Subpart E, “One-stop operating costs.”
7. Attachments: (1) “Connecticut WIOA Infrastructure Cost Sharing Guidelines.”

CONNECTICUT WIOA INFRASTRUCTURE COST SHARING GUIDELINES

TABLE OF CONTENTS

Introduction	2
Background	2
Glossary	2
Scope of Guidelines.....	5
Section 1: Infrastructure Costs Sharing Budget Guidance	5
1.1 Source of Funds to Pay Infrastructure Costs	6
1.2 Reconciliation of Partner Contributions	6
1.3 Other System Costs	6
1.4 Negotiating Infrastructure Cost Sharing Agreements.....	7
1.5 Allocation Options	8
Section 2: Timelines and Processes for Negotiation of Infrastructure Costs and MOUs	10
2.1 Negotiation of Local AJC Delivery System Costs	10
2.2 Negotiation of Local MOUs	11
Section 3: Requirements of MOUs	11
3.1 Reporting of Interim and Final Negotiation Outcomes	11
3.2 Appeals Process for Infrastructure Costs.....	11
Attachments.....	13
Attachment A: Sample AJC Infrastructure Budget	13
Attachment B: Sample Other System Costs.....	15
Services.....	15
Business Services	17
AJC Partner Staff Cross Training	19
AJC Operator.....	23
Shared Personnel Costs for AJC Co-located Partners	25

INTRODUCTION

The State of Connecticut has designated 5 local workforce development areas. Local governance begins with the chief elected official(s) who are financially liable for the funds that are allocated by the State through a Subgrant agreement to the local area. The chief elected official(s) are also responsible for appointing local workforce development board members, approving the local board's local workforce plan and budget, and serving as the local grant recipient or designating an entity to serve as a fiscal agent. Local workforce development boards are responsible for defining and overseeing strategies, goals, objectives, and benchmarks for the use of grant funds. They are also responsible for conducting outreach with the education institutions and the many chambers, councils, business associations and community partners in their local workforce development areas.

Staff to each of these local workforce development boards:

- Provide local oversight and administration of grant activities, performance, and funds;
- In most instances, assist in the development of contracts and identify targeted employer groups and high-priority occupations, wage expectations, and reimbursement rates;
- Develop monitoring tools for their use in maintaining quality assurance and measuring compliance of grant funds, activities and services;
- Coordinate with Connecticut American Job Center (AJC) teams to ensure successful implementation of the grant and provide performance reports and recommendations; and
- Conduct outreach with various community, economic development and education partners, as well as disseminate information through a variety of local media outlets.

Connecticut's AJC delivery system is charged with enhancing the range, integration, and quality of workforce development services available to job seekers and businesses through a coordinated approach among partner agencies. Services may be delivered at full-service physical centers, known as comprehensive AJCs and may also be accessed through physical or virtual sites, known as affiliate centers or satellite sites, that have focused, targeted services. Each local workforce development board provides policy, oversight and strategic direction to the AJC system through its One-Stop operator(s).

Background

CTDOL has prepared this document to provide local workforce development areas with the necessary guidance to consistently establish infrastructure cost sharing agreements as part of the Memoranda of Understanding (MOU) with partners in compliance with the Workforce Innovation and Opportunity Act (WIOA). These guidelines provide a methodology by which local AJCs share infrastructure costs and resources, with the goal of maximizing the value and benefits provided to jobseekers and businesses. The development of MOUs can be broken down into two stages. During the first stage, **Service Coordination**, Local Boards and co-located partners in the local area are expected to develop an agreement surrounding the operations of the AJC system and as it pertains to shared services and customers. The second stage, **Shared Resources and Costs**, Local Boards and co-located partners will not only build off of the agreements from the Service Coordination stage, but also determine how to best support their established service delivery model, through the sharing of costs and resources that are associated with customer benefit and approved by all partners.

Glossary

Term	Definition
Co-location	<i>Co-located Partners</i> AJC partners who have a physical presence within the center(s), full time, part time, or intermittent.

	<p><i>Non Co-located Partners</i> AJC partners with no physical presence in the center(s).</p>
Comprehensive AJC	A physical location within a local workforce development area that provides access to career services, training services, employment services, and all required programs and activities of all required partners.
Contributions	<p><i>Cash Contributions</i> Cash funds used to cover a partner's proportionate share of the AJC Infrastructure costs. Can be paid either directly from the partner or through an interagency transfer on behalf of the partner (WIOA Joint Final Rule Section 678.720c).</p>
	<p><i>Non-Cash Contributions</i> Expenditures made by one partner on behalf of the AJC or contributions of goods or services contributed by a partner for the center's use. Contributions must be valued consistent with Uniform Guidance 2CFR200.306 (WIOA Joint Final Rule Section 678.720c).</p>
	<p><i>Third Party In-Kind Contributions</i> Contributions by a non-AJC partner to support the AJC in general, not a specific partner; or contributions by a non-AJC partner to an AJC partner to support its proportionate share of the infrastructure costs. Unrestricted contributions that support the AJC in general would lower the total amount of infrastructure costs prior to proportionate division whereas restricted contributions can be used by the intended partner(s) to lower their share of the infrastructure costs (WIOA Joint Final Rule Section 678.720(c)(4)).</p>
Full-time Equivalent (FTE)	<p>The ratio of the total number of hours worked (whether part-time, full-time or contracted) divided by an average full-time work week (e.g., 40 hours).</p> <p><i>Example: One employee who works 20 hours per week is expressed as .5 FTE.</i></p>
Infrastructure Costs	<p>The non-personnel costs that are necessary for the general operation of the physical AJC, including:</p> <ul style="list-style-type: none"> • Rental/lease costs of facilities • Costs of utilities and maintenance • Equipment (including assessment-related products and assistive technology for individuals with disabilities) • Technology to facilitate access to the center, including the center's planning and outreach activities • Costs related to services performed by contract vendors
Local Infrastructure Funding Mechanism	The method used to cover infrastructure costs of the local <i>comprehensive</i> AJC (s) in a local area when all co-located partners agree about how those costs will be shared. Cash, in-kind contributions and philanthropic or private funds are allowable for each required partner to use to cover their fair share of the infrastructure costs under this mechanism. Under this mechanism, there is no maximum amount that each required partner can contribute to the center's infrastructure costs other than what is outlined in program-specific statutes.
Memorandum of Understanding (MOU)	A document defining the agreement between the local board, CEOs and co-located partners relating to the operation of the workforce delivery system in the local area, including shared system and infrastructure costs.
Proportionate Share	An amount that represents a required partner's portion of comprehensive AJC infrastructure costs based on its proportionate use of the AJC, relative to benefits received. This amount is determined through a reasonable cost allocation methodology that assigns costs to co-located partners in proportion to relative benefits received.

<p>Required Partners</p>	<p>WIOA identifies 19 required program partners, four of which are “core program partners,” that must provide services in comprehensive AJCs and share in the cost of maintaining the AJC delivery system subject to a Memorandum of Understanding (MOU). WIOA required partners include:</p> <ol style="list-style-type: none"> 1. WIOA Title I <ul style="list-style-type: none"> • Adults • Dislocated workers • Youth • Job Corps • Youthbuild • Native American programs • Migrant and Seasonal Farmworker programs 2. WIOA Title II - Adult Education and Literacy programs 3. WIOA Title III - Employment Services under the Wagner-Peyser Act 4. WIOA Title IV - Vocational rehabilitation services under Title I of the Rehabilitation Act of 1973 5. Carl D. Perkins Career and Technical Education Act of 2006 6. Trade Adjustment Assistance under the Trade Act of 1974 7. Title IV of the Social Security Act [Temporary Assistance for Needy Families (TANF) programs] 8. Senior Community Services Employment Program (SCSEP) 9. Community Services Block Grant (CSBG) 10. Housing and Urban Development employment and training activities 11. Unemployment Compensation programs 12. Second Chance Act of 2007 13. Veterans job counseling, training and placement programs under Chapter 41 of Title 38, United States Code
<p>Shared System Costs</p>	<p>Additional non-infrastructure costs required partners are required to pay. These shared costs may include the cost of shared services authorized for an individual participant, such as intake and assessment costs, as well as shared costs of local board functions like Business Services, AJC Partner Staff cross training, and AJC Operator costs. May also include shared personnel (and other non-infrastructure costs) for co-located partners.</p>
<p>State Funding Formula</p>	<p>Example: The formula the Governor uses to determine each required partner’s proportionate share of comprehensive AJC infrastructure costs. This formula is: $(A) \times (B/C) = D$, where: A = Total infrastructure costs Statewide; B = The number of onsite and offsite FTEs each required partner commits to delivery of services in comprehensive one- stop centers Statewide; C = The number of onsite and offsite FTEs all co-located partners commit to delivery of services in comprehensive one- stop centers Statewide; and D = Required partner’s proportionate share.</p> <p><i>Example: Total infrastructure costs Statewide = \$5,000,000; Statewide FTEs committed by required partner = 20; Statewide FTEs committed by all co-located partners = 400, equals $\\$5,000,000 \times (20 \div 400) = \\$250,000$.</i></p>
<p>State Infrastructure Funding Mechanism</p>	<p>The method used to cover infrastructure costs of the comprehensive AJC(s) in a local area when co-located partners are unable to agree on how to share those costs. The amount that each required partner can contribute is capped per WIOA section 121(h)(3)(B). The State Infrastructure Funding Mechanism only applies to certified comprehensive AJCs in local areas that cannot reach agreement on a cost sharing agreement by June 30th of each year</p>

SCOPE OF GUIDELINES

Multiple sources were used to develop these guidelines, including the WIOA legislation and its final rule, as well as other regulations within the Code of Federal Regulations (CFR). Joint guidance materials issued by U.S. Departments of Labor, Education and Health and Human Services were utilized as well. These guidelines are intended to provide guidance on infrastructure and AJC delivery cost sharing methods, as well as the development, timeline, and requirements of local Memoranda of Understanding (MOUs).

One of the main goals of WIOA is to strengthen the ability of the public workforce system to align investments in workforce, education, and economic development with Connecticut regional in-demand jobs. Another main goal is to provide customers with access to high-quality AJCs that connect them with the full range of services available in their communities. In alignment with these goals is the Connecticut Unified Workforce Development Plan (State Plan), which was developed with the following policy objectives in mind:

- Preparing an educated and skilled workforce
- Meeting the skilled workforce needs of employers

To achieve these objectives, the Connecticut AJC system must serve as an all-inclusive access point to both education and training programs that provide demand-driven skills attainment, specifically for those with barriers to employment.

Local Boards are responsible for entering into an MOU with each of the Connecticut AJC partners for each comprehensive site. The MOU serves as a functional tool, as well as a visionary plan, for how the Local Board and partners will work together to create a unified service delivery system that meets the needs of their shared customers. The MOU development process can be viewed in two stages: stage one addresses service coordination and collaboration amongst the partners; stage two addresses how to sustain the unified system through methods such as resource sharing and joint infrastructure cost funding. Local Boards act as the convener and mediator of the MOU negotiations and have primary responsibility to determine how AJC services will be delivered within the local area. This role is critical in establishing a high quality delivery system and enhancing collaboration across program partners.

All aspects of this process are to help facilitate Connecticut AJCs as the cornerstone of the workforce development system. Collaboration is essential in establishing a quality-focused, employer-driven, and customer-centered system.

Section 1: Infrastructure Cost Sharing Budget Guidance

As defined above, infrastructure costs are those non-personnel costs associated with operating an AJC. Each local area is expected to reach agreement on how infrastructure costs will be shared among required partners. These guidelines and requirements support the local area's effort in reaching an agreement for the allocation of these costs.

Each local WDB must develop an infrastructure budget for the comprehensive AJC located within their region. The attached sample templates will assist in identifying the costs to be included in the budget, the responsible partners and the methodology to determine the proportionate share with the appropriate partner. The cost sharing and benefits received must be determined in accordance with Uniform Guidance 2 CFR Part 200 and 2900.

The expected approach for funding infrastructure costs in comprehensive AJCs is through the development of a local Infrastructure Funding Mechanism where all co-located partners agree how infrastructure costs will be shared. In the event that a local area is unable to reach agreement, a State Infrastructure Funding Mechanism will be put into effect as a last resort and remain in effect until such time that a local area can find consensus. The State Infrastructure Funding Mechanism process is described below.

The local board must select a methodology for the allocation of infrastructure costs. Any methodology selected must be consistent with federal laws that authorize each partner's programs, comply with the Uniform Guidance, include allowable, allocable reasonable and necessary costs, and be based on the proportionate use and benefit received by each partner's programs. Cost allocation options can be found in subsection 1.5 *Allocation Options*.

After the comprehensive center's operational budget and the cost sharing methodology are agreed upon, each partner must detail how they will provide their cash, non-cash (in-kind), and/or third party in-kind contributions. Any in-kind and non-cash contributions must be fairly valued in accordance the Uniform Guidance.

1.1 SOURCE OF FUNDS TO PAY INFRASTRUCTURE COSTS

Source	Available Funds to Pay Infrastructure Costs
<i>WIOA Title I</i>	Administrative and program funds
<i>WIOA Title II</i>	Funds available for local administrative expenses or from non-federal resources that are cash, in-kind, or third party contributions
<i>WIOA Title III</i>	Any available funds
<i>WIOA Title IV</i>	Administrative funds
<i>TANF</i>	Funds used for the provision and administration of employment and training programs
<i>Career and Technical Education (CTE)</i>	Funds available for local administration of postsecondary level programs and activities for eligible participant; Funds made available by the state or non-federal resources that are cash, in-kind, or third-party contributions

Co-located partners may meet their infrastructure cost obligations through any of the following methods:

1. Cash contributions as allowed by the statutes and regulations governing each program
2. Locally agreed upon and fairly valued in-kind contributions that provide tangible benefits each local comprehensive site. Each in-kind contribution must meet the following criteria:
 - Be recognized and accepted by all other partners, and
 - Have the effect of offsetting a cash contribution toward local infrastructure costs of the AJC that would otherwise be due from the partner.

Non-Core Partners should meet their infrastructure cost obligations in accordance with their program guidance and rules.

1.2 RECONCILIATION OF PARTNER CONTRIBUTIONS

The local board is responsible for ensuring that the infrastructure costs are paid in accordance with the MOU. Since the budget and proportionate share are estimates, it is also the responsibility of the local board to reconcile, on a regular basis (e.g. monthly, but no less frequently than quarterly) the actual costs and their proportionate share to the budget contributions agreed upon by each partner. This process is to ensure that all costs remain consistent with the methodology, are up to date, and in compliance with the MOU and Uniform Guidance. In the event that the local WDB is a program operator, then the One Stop Operator will hold this responsibility.

1.3 OTHER SYSTEM COSTS

The agreed upon budget for other system costs must align with the MOU agreement detailing shared customers and services. This budget must include line items for applicable career services and the costs associated with delivery of those services. The budget may also include shared services, which have been agreed upon by all partners, and provided through the AJC system. Shared personnel (and other non- infrastructure costs) for co-located partners, for instance. This includes center receptionists and center managers.

As uniform assessments and referral processes are developed, and implemented, future types of applicable shared services may include, but not be limited to, the following:

1. Initial intake, assessment of needs, appraisal of basic skills, identification of appropriate services to meet such needs, and referrals to other partners. This can include costs such as technology and tools, which increase integrated service delivery through the sharing of information and service delivery processes.
2. Business services, which can include costs related to a local or regional system business services team that has one or more partners on the team or has delegated a specific partner to provide business services on behalf of the local area.
3. Partner staff cross training that can include any staff cross training on partner programs and the eligibility requirements identified in the MOU.
4. The one-stop operator, which may include the system role of the operator (coordinating service providers across the AJC delivery system) when the role is not specific to the operation of the AJC and/or specific partner programs, the role must be defined by the Local Board in the procurement process and agreed to by all partners in the MOU.

1.4 NEGOTIATING INFRASTRUCTURE COST SHARING AGREEMENTS

The following section details a suggested process by which WDBs can negotiate the infrastructure cost sharing agreement:

Process	Description	Timeline
Information-Sharing	<p>The entity or entities serving as owner/leaseholder for the designated AJCs will provide the WDB with the following information:</p> <ol style="list-style-type: none"> 1. Information on the term of the lease 2. The specific items of cost covered by the lease 3. The actual costs in the prior year for all line items included which are not covered by the lease 4. In the event that Technical Assistance is needed, a formal request must be made to the state as soon as possible. 	Ongoing
	<p>The WDB will:</p> <ul style="list-style-type: none"> • Ensure that co-located partners are provided information on the number of FTEs that co-located partners committed to the operation of the local AJC delivery system the prior year. • Review and discuss actual costs in the prior year and new needs for the coming budget year. • Obtain all assistance needed to prepare a draft budget for future consideration by all required partners. • Ensure that a draft budget is presented to all co-located partners at least two weeks prior to a second meeting of co-located partners and at least two weeks prior to a second meeting of required partners. 	Ongoing

Budget Development and Review	<p>Co-located partners will review the draft budget and make agreed upon revisions. The designated representative must prepare a final budget that allocates agreed-upon infrastructure costs equitably among required partners. The designated representative must distribute the final budget at least two weeks prior to the meeting of required partners.</p> <p>Refer to <i>Section 1.5</i> for information on budget allocation options.</p>	<p>Ongoing</p>
Budget Approval	<p>All co-located partners will be asked to approve the infrastructure cost budget. The final approved budget will be incorporated annually into the approved MOU as an amendment, using amendment procedures specified in the MOU.</p>	<p>October 1</p>
Follow Up	<p>Failure to reach agreement on AJC infrastructure costs by December 1, 2017, will result in application of a state funding mechanism per 20 CFR 678.730.</p> <p>Following the end of each State fiscal year and after all budgeted infrastructure costs have been incurred, the designated representative will assure budgeted costs by co-located partners are reconciled to actual costs and that any necessary adjustments are made.</p>	<p>December 1</p>

1.5 ALLOCATION OPTIONS

There are multiple options for determining an allocation methodology in a local area. The following two examples should be used:

1. The proportionate share of partner's occupancy percentage of AJC
The allocation based on proportionate share of partner's occupancy percentage of the AJC determines infrastructure costs based on percent of use of total AJC square footage per partner. For example, if a specific partner is utilizing 300 sq. ft. out of 1000 total square footage, said partner would be responsible for 30% (300/1000 = 30%) of the total AJC infrastructure costs. The ideal way to use square footage as the basis for allocation would be to identify the amount of dedicated space for each organization. For example, if an AJC is 10,000 square feet total, Organization A has 100 square ft. of dedicated space (used only for organization A) out of 2,000 of total dedicated square footage in the Center, the calculation would be that Organization A would pay 5% of the facilities costs (100/2000).
2. The proportion of FTE staffing
The allocation based on proportionate share of partner's total employees of the AJC determines infrastructure costs based on percent of total AJC Center employee FTEs per partner. For example, if a specific partner employs 25 FTEs out of 250 total FTEs at the AJC, said partner would be responsible for 10% (25/250 = 10%) of the total AJC infrastructure costs

.Cost allocation is based upon the premise that Federal programs are to bear an equitable proportion of shared costs based on the benefit received by each program. The allocation of costs must be consistent with the Uniform Guidance. The Uniform Guidance defines "allocation" at 2 CFR 200.400 and "allocable costs" at 2 CFR 200.405.

To determine FTE staffing proportions, each required partner's staff dedicated to support the operation of each AJC in the local area will be documented in the Standard Budget Format for Shared Costs in (Page 24)

FTE staffing is defined to include:

1. Required partner or contractor FTE staff onsite at the AJC.
2. Required partner or contractor FTE staff offsite but who are dedicated and available on demand to meet service access requirements via "direct linkage."

State Funding Mechanism

According to § 678.730 of the Joint Final rule, if the Local WDB, chief elected official, and partners in a local area do not reach consensus agreement on methods of sufficiently funding AJC infrastructure costs for a program year, the State funding mechanism is applicable to the local area for that program year. To Initiate the State

funding mechanism, a Local WDB must notify the Governor by the deadline established here within.

Once a Local WDB has informed the Governor of their inability to reach a consensus, the local WDB must provide the Governor with local negotiation materials. The Governor will complete the following:

- Determine the AJC budget through one or more of the following options; accepting a budget previously agreed upon by partner programs in the local negotiations; or creating a budget for the AJC using the State WDB formula (described below).
- Establish a cost allocation methodology to determine the one-stop partner programs proportionate shares of infrastructure costs.
- Using the methodology established, and taking into consideration the factors concerning individual partner programs, determine each partner's proportionate share.
- Calculate the statewide caps on the amounts that partner programs may be required to contribute (described below).
- Ensure that the aggregate total of contributions according to proportionate share required of all local partner programs do not exceed the cap for that particular program, and direct payment accordingly.
- If the total budget exceeds one or more of the program caps, determine the amount to direct each partner to pay. This can be done by one or more of the following options;
 - Ascertaining whether the local partner or partners whose proportionate shares are calculated above the individual program caps are willing to voluntarily contribute above the capped amount to equal that program's proportionate share;
 - Re-entering into local areas budget negotiations to reassess each AJC partner's proportionate share;
 - Identifying alternate sources of funding to make up the difference between the capped amount and the proportionate share of the one-stop partner.
- If none of the solutions prove to be viable, reassess the proportionate shares of each one-stop partner so that the aggregate amount attributable to the local partners for each program is less than that program's cap amount. Upon such reassessment, the Governor will direct each partner program to pay the reassessed amount toward the infrastructure funding costs of the AJC.

Statewide Caps on Proportionate Share (Only if Governor needs to determine local share)

WIOA formula programs and Wagner-Peyser Act Employment Service: The portion of funds required to be contributed under the WIOA youth, adult, or dislocated worker programs, or under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) must not exceed three percent of the amount of the program in the State for a program year.

For other required AJC partners: The portion of funds required to be contributed must not exceed 1.5 percent of the amount of Federal funds provided to carry out that program in the State for a fiscal year.

Carl D. Perkins Career and Technical Education Act of 2006: The cap on contributions is determined based on the funds made available by the State for postsecondary level programs and activities of the Carl D. Perkins Career and Technical Education Act and the amount of Perkins Act funds used by the State during the prior year to administer postsecondary level programs and activities, as applicable.

Vocational Rehabilitation: Within a State, for the entity or entities administering programs, the allotment is based on the one State Federal fiscal year allotment, even in instances where that allotment is shared between two State agencies, and the cumulative portion of funds required to be contributed must not exceed:

- 0.75 percent of the amount of Federal funds provided to carry out such program in the State for the current Fiscal Year for purposes of applicability of the State funding mechanism for the next program year (1st Year);
- 1.0 percent of the amount provided to carry out such program in the State for the current Fiscal Year for purposes of applicability of the State funding mechanism for the next program year (2nd Year);

-
- 1.25 percent of the amount provided to carry out such program in the State for the current Fiscal Year for purposes of applicability of the State funding mechanism for the next program year (3rd Year);
 - 1.5 percent of the amount provided to carry out such program in the State for the current Fiscal Year and following years for purposes of applicability of the State funding mechanism for the next program year and subsequent years (4th Year and beyond).

TANF programs: The cap on contributions is determined based on the total Federal TANF funds expended by the State for work, education, and training activities during the prior Federal fiscal year (as reported to the Department of Health and Human Services (HHS) on the quarterly TANF Financial Report form). Also include any additional amount of Federal TANF funds that the State TANF agency reasonably determines was expended for administrative costs in connection with these activities but that was separately reported to HHS. The State's contribution to the one-stop infrastructure must not exceed 1.5 percent of these combined expenditures.

Community Services Block Grant (CSBG) programs: The cap on contributions will be based on the total amount of CSBG funds determined by the State to have been expended by local CSBG-eligible entities for the provision of employment and training activities during the prior Federal fiscal year for which information is available (as reported to HHS on the CSBG Annual Report). Also include any additional amount that the State CSBG agency reasonably determines was expended for administrative purposes in connection with these activities but was separately reported to HHS. The State's contribution must not exceed 1.5 percent of these combined expenditures.

Section 2: Timelines and Processes for Negotiation of Infrastructure Costs and MOUs

Local board negotiations related to services, methods of delivery, infrastructure and other shared costs must be concluded and a final report must be submitted to OWC by December 1, 2017. Failure to reach an agreement by the deadline will trigger the State Infrastructure Funding Mechanism, which is detailed above. The following section further details the timelines and processes by which infrastructure costs and MOUs may be negotiated.

2.1 NEGOTIATION OF AJC DELIVERY SYSTEM COSTS

Designated Representative

The designated representative has primary responsibility for negotiating how local AJC delivery system costs will be shared among required partners. Other AJC system costs may include: initial intake, assessment of needs, appraisal of basic skills, identification of appropriate services to meet such needs, and referrals to partners.

Required Partners

All co-located partners under WIOA are required to use a portion of their program funds to pay additional costs relating to operation of the local one-stop delivery system. Costs include the costs of providing shared career services to individuals, costs to support WDB functions and other costs that promote integration of services. Co-located partners may meet their cost sharing obligations through any of the following methods:

1. Cash contributions as allowed by the statutes and regulations governing each program
2. Locally agreed upon and fairly valued in-kind contributions that provide tangible benefits for the local service delivery system. Each in-kind contribution must meet the following criteria:
 - Be recognized and accepted by all other partners
 - Have the effect of offsetting a cash contribution toward the one-stop delivery system costs that would otherwise be due from the partner making the in-kind contribution.

Co-located partners should give priority to those shared costs which bring about integration, streamline service delivery and lead to better outcomes for their customers. The amount each required partner contributes to one-stop service delivery system costs must be allowable under each required partner's statutory and regulatory requirements. Contribution amounts must also be proportionate to the benefit received and determined in accordance with Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

All AJC partners must agree to the other system costs budget. There are no State Infrastructure Funding Mechanisms for other system costs that will trigger due to lack of agreement at the local level. A sample Other AJC System Costs budget is included in the *Attachments*.

2.2 NEGOTIATION OF LOCAL MOUS

Purpose and Development of MOUs

The MOU development process involves Service Coordination, meaning each MOU will address service coordination and collaboration amongst the partners. It will also involve Shared Resources and Costs, meaning it will address how to functionally and fiscally sustain the unified system through the use of resource sharing and joint infrastructure costs.

MOUs serve as a commitment between the designated representative and co-located partners to provide a high quality workforce development system. They should mirror the Federal and State government and regional and local planning priorities. The local MOUs should also reflect how each partner will contribute its proportionate share of infrastructure costs for the comprehensive AJC.

Section 3: Requirements of MOUs

THE MOU requirements were delineated in the CT DOL MOU guidance issued on June 1, 2017

3.1 REPORTING OF INTERIM AND FINAL NEGOTIATION OUTCOMES

Local WDBs must provide a status update by October 1, 2017, Notice of Impasse by November 1, 2017 and Final infrastructure cost sharing agreements by December 1, 2017.

RECOMMENDED APPEALS PROCESS FOR INFRASTRUCTURE COSTS (GOVERNOR'S DETERMINATION)

As noted in this WIOA Policy, a required partner may appeal the Governor's final determination for two reasons:

1. The Governor's determination is inconsistent with the proportionate share requirements of 20 CFR 678.750.
2. The Governor's determination is inconsistent with the cost contribution caps described in 20 CFR 678.750.

The Governor will establish a process for a partner administering a program to appeal the determination regarding the partner's portion of funds to be provided for AJC infrastructure costs. This appeal process must be described in the Unified State Plan. The appeal may be made for either of the reasons noted. The process must ensure prompt resolution of the appeal in order to ensure the funds are distributed in a timely manner. The AJC partner must submit an appeal within 21 days from the determination.

The table below summarizes which sub-part of the WIOA legislation pertains to the specific area of reference. This is included to help participants navigate the legislation with some level of ease.

Joint Rule References for AJC Infrastructure Costs

Sub-Part	Area of Reference
678.700	AJC infrastructure costs.
678.705	Guidance the Governor issues regarding AJC infrastructure funding.
678.710	Funding of infrastructure costs.
678.715	Funding of AJC infrastructure costs through the Local Infrastructure Funding Mechanism.
678.720	Funds used to pay for JAJC infrastructure costs in the Local Infrastructure Funding Mechanism.
678.725	If consensus on infrastructure funding is not reached at the local level between the local Workforce Development Board, chief elected officials, and JAJC partners, next steps.
678.730	State Infrastructure Funding Mechanism for AJCs.
678.731	Steps to determine the amount to be paid under the State Infrastructure Funding Mechanism for AJCs.
678.735	Infrastructure cost budgets for the AJCs in a local area determined in the State Infrastructure Funding Mechanism for AJCs.
678.736	Governor establishes a cost allocation methodology used to determine the AJC Partner programs proportionate shares of infrastructure costs under the State Infrastructure Funding Mechanism for one-stops.
678.737	AJC partner programs proportionate shares of infrastructure costs determined under the State Infrastructure Funding Mechanism for one-stops.
678.738	Statewide caps on the contributions for AJC infrastructure funding determined in the State Infrastructure Funding Mechanism for one-stops.
678.740	Funds used to pay for infrastructure costs in the State Infrastructure Funding Mechanism for one-stops
678.745	Factors the State Workforce Development Board uses to develop the formula described in Workforce Innovation and Opportunity Act sec. 121(h)(3)(B), which is used by the Governor to determine the appropriate AJC infrastructure budget for each local area operating under the State Infrastructure Funding Mechanism, if no reasonably implementable locally negotiated budget exists.
678.750	How a partner can appeal an infrastructure amount designated by the State under the State Infrastructure Funding Mechanism.
678.755	Required elements regarding infrastructure funding that must be included in the Memorandum of Understanding.
678.760	AJC partners jointly fund other shared costs under the Memorandum of Understanding.

ATTACHMENTS

Attachment A: Sample AJC Infrastructure Budget

AJC Center Infrastructure Budget			
___ Comprehensive AJC Name _____			
	Cost Category/Line Item	Line Item Cost Detail	Cost
Rent	Rental of Facilities		
	Subtotal:		
Utilities and Maintenance	Electric		
	Gas		
	Water		
	Sewer Connections		
	High-Speed Internet		
	Telephones (Landlines)		
	Facility Maintenance Contract		
	Subtotal:		
Equipment	Assessment-related products		
	Assistive technology for individuals with disabilities (Access and Accommodation)		
	Copiers		
	Fax Machines		
	Computers		
	Other tangible equipment used to serve all center customers (not specific to an individual program partner)		
	Specify Other Tangible Equipment		
	Subtotal:		
Technology to Facilitate Access to the AJC	Technology used for the center's planning and outreach activities		
	Specify the technology: _____		
	Cost of creation and maintenance of a center website (not specific to an individual program partner) that provides outreach to customers by providing information on Job Center services		

and/or provides direct service access to AJC services Website Address: _____ (Does not include data systems or case management systems specific to individual program partners.)		
	Subtotal:	

Common Identifier Costs (Local Option, If Agreed to by All Co-located Partners)

Creating New AJC Signage	
Updating Templates and Materials	
Updating Electronic Resources	
Subtotal:	

Summary of Total Infrastructure Costs to be Shared by Co-located Partners

Cost Category	Total Cost
Subtotal: Rental Costs	
Subtotal: Utilities and Maintenance Costs	
Subtotal: Equipment Costs	
Subtotal: Technology to Facilitate Access Costs	
Subtotal: Common Identifier Costs	
Total Infrastructure Costs for this AJC /Network:	

Proportionate Share: Infrastructure Costs for this AJC/Network:
 AJC _____

Partner	Compute Methodology	Partner Program Share in Cost	Source by Cash	Source by In-Kind
Partner #1		\$	\$	\$
Partner #2		\$	\$	\$
Partner #3		\$	\$	\$
Total Budget:		\$	\$	\$

Attachment B: Sample Other System Costs

SERVICES

Optional partner agreement to share other AJC system costs: initial intake, assessment of needs, appraisal of basic skills, identification of appropriate services to meet such needs, and referrals to other AJC partners.

This may include costs such as personnel, technology, and tools that increase integrated service delivery through the sharing of information and service delivery processes.

AJC System Budget: Initial Intake, Assessment, Basic Skills Identification, Services, Referrals

Line Item	Budget Detail	Cost
Total Budget:		\$

Agreed Upon Cost Allocation Methodology to Share These Costs

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Proportionate Share: Initial Intake, Assessment, Basic Skills Identification, Services, Referrals

Partner	Compute Methodology	Partner Program Share in Cost	Source by Cash	Source by In-Kind
WIOA Title I		\$	\$	\$
Adults		\$	\$	\$
Dislocated Workers		\$	\$	\$
Youth		\$	\$	\$
Job Corps		\$	\$	\$
YouthBuild		\$	\$	\$
Native American Programs		\$	\$	\$
Migrant and Seasonal Farmworker Program		\$	\$	\$
Wagner-Peyser Title III		\$	\$	\$
Adult Education and Family Literacy Title II (ABE)		\$	\$	\$

Rehabilitation Act Title IV Vocational Rehabilitation		\$	\$	\$
Rehabilitation Act Title IV Bureau of Education Services for the Blind		\$	\$	\$
Title V – Older Americans Act/Senior Community Service Employment Program (SCSEP)		\$	\$	\$
Career and Technical Education Programs (postsecondary) Carl D. Perkins Act		\$	\$	\$
Trade Adjustment Assistance		\$	\$	\$
Veterans Employment Services		\$	\$	\$
Community Services Block Grant		\$	\$	\$
Housing & Urban Development Employment & Training		\$	\$	\$
Unemployment Compensation Second Chance Act		\$	\$	\$
TANF		\$	\$	\$
	Total Budget:	\$	\$	\$

BUSINESS SERVICES

Optional Partner Agreement to Share Other AJC Center System Costs: Business Services

This may include costs related to a local or regional system business services team that has one or more partners on the team, or has delegated a specific partner to provide business services on behalf of the system.

AJC System Budget: Business Services

Line Item	Budget Detail	Cost
Total Budget:		\$

Agreed Upon Cost Allocation Methodology to Share These Costs

Proportionate Share: Business Services

Partner	Compute Methodology	Partner Program Share in Cost	Source by Cash	Source by In-Kind
WIOA Title I		\$	\$	\$
Adults		\$	\$	\$
Dislocated Workers		\$	\$	\$
Youth		\$	\$	\$
Job Corps		\$	\$	\$
YouthBuild		\$	\$	\$
Native American Programs		\$	\$	\$
Migrant and Seasonal Farmworker Program		\$	\$	\$
Wagner-Peyser Title III		\$	\$	\$
Adult Education and Family Literacy Title II (ABE)		\$	\$	\$
Rehabilitation Act Title IV – Vocational Rehabilitation		\$	\$	\$
Rehabilitation Act Title IV – Bureau of Education Services for the Blind		\$	\$	\$

Title V – Older Americans Act/Senior Community Service Employment Program (SCSEP)		\$	\$	\$
Career and Technical Education Programs (postsecondary) Carl D. Perkins Act		\$	\$	\$
Trade Adjustment Assistance		\$	\$	\$
Veterans Employment Services		\$	\$	\$
Community Services Block Grant		\$	\$	\$
Housing & Urban Development Employment & Training		\$	\$	\$
Unemployment Compensation		\$	\$	\$
Second Chance Act		\$	\$	\$
TANF		\$	\$	\$
Total Budget:		\$	\$	\$

AJC CENTER PARTNER STAFF CROSS TRAINING

Optional Partner Agreement to Share Other AJC Center System Costs: AJC Partner Staff Cross Training

This may include any staff cross training on partner programs and eligibility identified in the Phase I MOU.

AJC System Budget: AJC Partner Staff Cross Training

Line Item	Budget Detail	Cost
Total Budget:		\$

Agreed Upon Cost Allocation Methodology to Share These Costs

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Proportionate Share: AJC Center Partner Staff Cross Training

Partner	Compute Methodology	Partner Program Share in Cost	Source by Cash	Source by In-Kind
WIOA Title I		\$	\$	\$
Adults		\$	\$	\$
Dislocated Worker		\$	\$	\$
Youth		\$	\$	\$
Job Corps		\$	\$	\$
YouthBuild		\$	\$	\$
Native American Programs		\$	\$	\$
Migrant and Seasonal Farmworker Program		\$	\$	\$
Wagner-Peyser Title III		\$	\$	\$
Adult Education and Family Literacy Title II (ABE)		\$	\$	\$
Rehabilitation Act Title IV – Vocational Rehabilitation		\$	\$	\$

Rehabilitation Act Title IV – Bureau of Education Services for the Blind		\$	\$	\$
Title V – Older Americans Act/Senior Community Service Employment Program (SCSEP)		\$	\$	\$
Career and Technical Education Programs (postsecondary) Carl D. Perkins Act		\$	\$	\$
Trade Adjustment Assistance		\$	\$	\$
Veterans Employment Services		\$	\$	\$
Community Services Block Grant		\$	\$	\$
Housing & Urban Development Employment & Training		\$	\$	\$
Unemployment Compensation		\$	\$	\$
Second Chance Act		\$	\$	\$
TANF		\$	\$	\$
Total Budget:		\$	\$	\$

ONE-STOP OPERATOR

Optional Partner Agreement to Share Other AJC System Costs: One-Stop Operator

This may include the system role of the AJC operator (e.g., coordinating service providers across the AJC delivery system) when the role is not specific to the operation of the AJC and/or specific partner programs, so long as the role was defined by the Local Board in the procurement process and agreed to by all partners in the Phase II MOU.

Description of the One-Stop Operator’s System Role Not Specific to Operation of AJCs

AJC System Budget: One-Stop System Operator

Line Item	Budget Detail	Cost
Total Budget:		\$

Agreed Upon Cost Allocation Methodology to Share These Costs

Proportionate Share: One-Stop Operator

Partner	Compute Methodology	Partner Program Share in Cost	Source by Cash	Source by In-Kind
WIOA Title I		\$	\$	\$
Adults		\$	\$	\$
Dislocated Workers		\$	\$	\$
Youth		\$	\$	\$
Job Corps		\$	\$	\$
YouthBuild		\$	\$	\$
Native American Programs		\$	\$	\$
Migrant and Seasonal Farmworker Program		\$	\$	\$
Wagner-Peyser Title III		\$	\$	\$
Adult Education and Family Literacy Title II (ABE)		\$	\$	\$

Rehabilitation Act Title IV – Vocational Rehabilitation		\$	\$	\$
Rehabilitation Act Title IV – Bureau of Education Services for the Blind		\$	\$	\$
Title V – Older Americans Act/Senior Community Service Employment Program (SCSEP)		\$	\$	\$
Career and Technical Education Programs (postsecondary) Carl D. Perkins Act		\$	\$	\$
Trade Adjustment Assistance		\$	\$	\$
Veterans Employment Services		\$	\$	\$
Community Services Block Grant		\$	\$	\$
Housing & Urban Development Employment & Training		\$	\$	\$
Unemployment Compensation		\$	\$	\$
Additional Partners		\$	\$	\$
Second Chance Act		\$	\$	\$
TANF		\$	\$	\$
Total Budget:		\$	\$	\$

SHARED PERSONNEL COSTS FOR AJC CO-LOCATED PARTNERS

Optional Partner Agreement to Share Other AJC System Costs: Shared Personnel Costs for AJC Co-located Partners

This may include center receptionists and/or center managers.

AJC System Budget: AJC Personnel

Line Item	Budget Detail	Cost
Total Budget:		\$

Agreed Upon Cost Allocation Methodology to Share These Costs

Proportionate Share: AJC Center Personnel

AJC Location _____

Partner	Compute Methodology	Partner Program Share in Cost	Source by Cash	Source by In-Kind
Partner #1		\$	\$	\$
Partner #2		\$	\$	\$
Partner #3		\$	\$	\$
Partner #4		\$	\$	\$
Partner #5		\$	\$	\$
Total Budget AJC:		\$	\$	\$

Proportionate Share: AJC Personnel

AJC Location _____

Partner	Compute Methodology	Partner Program Share in Cost	Source by Cash	Source by In-Kind
Partner #1		\$	\$	\$
Partner #2		\$	\$	\$
Partner #3		\$	\$	\$

Partner #4		\$	\$	\$
Partner #5		\$	\$	\$
Total Budget AJC:		\$	\$	\$

