



WorkSource System Policy
Employment System Administration and Policy

Washington envisions a nationally recognized fully integrated One-Stop system with enhanced customer access to program services, improved long-term employment outcomes for job seekers and consistent, high quality services to business customers. In order to achieve this vision, Employment System Administration and Policy sets a common direction and standards for Washington's WorkSource system through the development of WorkSource system policies, information memoranda, and technical assistance.

Policy Number: 1024
To: Washington WorkSource System
Effective Date: July 19, 2021
Subject: Infrastructure Funding Agreements and State Funding Mechanism

1. Purpose:

This policy communicates the requirements of and guidance to Local Workforce Development Boards (LWDBs) and Partners regarding the requirement to enter into an Infrastructure Funding Agreement (IFA) for the operating costs of the one-stop prior to the start of each program year. Additionally, this policy communicates requirements on LWDBs, the Governor and the State Workforce Development Board (SWDB) when LWDBs are unable to achieve consensus among local one-stop delivery system partners regarding local IFAs, thus, triggering the State Funding Mechanism (SFM).

2. Background:

Developed jointly by the U.S. Departments of Labor (DOL), Education (ED), and Health and Human Services (HHS), the Joint WIOA Final Rule for Unified and Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions, the Joint WIOA Final Rule communicates the expectations of the sharing and allocation of infrastructure costs among one-stop partner programs as governed by WIOA sec. 121(h), its implementing regulations, and the Federal Cost Principles contained in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR part 200 (Uniform Guidance).

IFAs, which are part of local one-stop Memoranda of Understanding (MOU), are expected to be negotiated by LWDBs through local processes that achieve consensus amongst required and optional partners in local one-stop delivery systems and quantified through Local Funding Mechanisms (LFMs) through IFAs. TEGL 17-16, Section 10, Infrastructure Funding of the One-Stop Mechanism, provides additional guidance on this subject. See Attachment I to this policy for list of required partners in the one-stop system.

All one-stop partner programs, whether they are required or additional partners, must contribute to the infrastructure costs of the one-stop centers based on their proportionate use and relative benefit. A partner's contribution must be an allowable, reasonable, necessary, and allocable cost to the program, consistent with the Federal Cost Principles set forth in the Uniform Guidance. The Local WDBs and CEOs have discretion to take the actions necessary to encourage the additional partners to contribute their proportionate share of infrastructure costs. This discretion does not include the ability to subject the additional partners to the SFM, nor can additional partners trigger the SFM.

WIOA, Sec. 121(h) mandates that the State, through the designated authority of the Governor (as delegated to the SWDB), provide guidance to assist LWDB's, Chief Elected Officials (CEO's) and one-stop partners to determine equitable and stable methods to fund one-stop center infrastructure costs. WIOA regulations also require the State's guidance include a timeline for LWDB's to notify if local IFA negotiations reach an impasse.

Advantages of LWDB's negotiating their own IFA's include:

- Local autonomy -decisions stay at the local level and can be tailored to local needs and priorities
- Stronger partnerships maintained with each partner program having direct say in local negotiations
- No caps on local contributions, but if SFM is triggered, specific caps are set on the amount/percent of each partner programs' funds that may be contributed (*see TEGL 17-16 pgs. 24-25)
- Flexibility on funds used-local Title I partners can use program funds to pay their proportionate share of infrastructure costs, but if SFM is triggered, some Title I programs may be required to pay their proportionate share out of administrative funds only.

If local partners cannot reach agreement on an IFA, a State Funding Mechanism (SFM) is triggered in that local area. To that end, the Governor must issue guidance, and the SWDB must assist with the issuance of that guidance and with developing the formula used by the Governor under the SFM to determine one-stop center budgets in the event local consensus cannot be reached.

The SWDB, which is the Workforce Training and Education Coordinating Board (WTECB) in Washington, has been designated as the Governor's representative in the SFM process. TEGL 17-16, Infrastructure Funding of the One-Stop Mechanism provides additional guidance on this subject.

3. Policy:

a. Memorandum of Understanding regarding Infrastructure costs and Additional Costs

Per WIOA Sec. 121 (c)(1) and WA Policy 1013, Rev.2 One-Stop partners must enter into MOU, which must contain provisions describing how the costs of services will be provided by the one-stop system and how operating costs will be funded (including infrastructure costs and additional costs). See Attachment I of this policy for full list of required partner programs. The

one-stop operating budget under the MOU may be considered the master budget and must be periodically reconciled against actual costs and adjusted accordingly.

b. Infrastructure Funding Agreement Negotiation and Consensus

One-stop partners are to act in good faith and negotiate an Infrastructure Funding Agreement (IFA), which must be agreed to by all partners no later than **March 31** of each year for the subsequent program year, outlining how each will contribute to infrastructure costs of the one-stop system described in the Local Funding Mechanism (LFM).

IFA's must include:

- Time period IFA is effective
- Identification of infrastructure cost budget (component of one-stop operating budget)
- Identification of all one-stop partners, LWDB and CEO participating in the IFA
- The Cost-Allocation Methodology used to determine and allocate costs among the one-stop partners sufficient to fund the costs of infrastructure of one-stop(s) for the program year
- Description of periodic review and modification process ensuring equitable benefit of one-stop partner programs
- Information on the steps used to reach consensus and how local partners followed the local funding methodology process
- Full description of the local process used among partners to resolve issues related to IFA during the MOU duration when consensus cannot be reached, which can be the local dispute resolution policy if applicable
- Signatures of all authorized representatives of the LWDB, CEO's and all workforce partner programs who signed the MOU*

NOTE: Cost Allocation Methodology- The specific methodologies used to allocate costs among the one-stop partners are not prescribed in WIOA. Because of the need to provide maximum flexibility to accommodate various organization structures, costs, and budgets in local areas, there is no single method prescribed for allocating costs, but in general should include allocation bases, inputs and outputs.

*NOTE: While WIOA is silent on the use of electronic signatures specific to MOU, per [5 CFR 850.106](#), [31 CFR 370.38](#), [15 USC 96 Sec. 7001](#) and [RCW 1.80.060](#), the use and validity of electronic signatures is allowed with mutual agreement of all parties. However, parties cannot be made to use an electronic form of signature if they prefer instead to use physical signatures (see [RCW 1.80.040](#)).

c. IFA Process Steps

1. Identify one-stop operating costs, including infrastructure costs and additional costs.
2. Develop the one-stop operating budget that includes an infrastructure costs budget and additional costs budget.
3. Develop the cost allocation methodology, including the identification of cost pools and allocation bases.
4. Determine estimated partner program contributions.
5. Prepare, agree to, and sign the IFA(s).

6. Allocate actual costs by each partner program's proportionate use and relative benefit received.
7. Conduct a periodic reconciliation (Not less than biannually).
8. Modify infrastructure costs budget and/or cost allocation methodology, as appropriate.
9. Evaluate the existing process and prepare for the following program year.

Should difficulties arise during the negotiation process, parties involved will seek resolution through their local dispute resolution process. If, however, local agreement cannot be reached, a State Funding Mechanism (SFM) is triggered. To that end, the Governor must issue guidance, and the SWDB (as the designated Governor's representative) must assist with the issuance of that guidance and with developing the formula used by the Governor under the SFM to determine one-stop center budgets in the event local consensus cannot be reached. In this situation, section 4, the State Funding Mechanism will be implemented. Refer to Attachment IV for expectations timeline.

4. State Funding Mechanism

a. State Funding Mechanism Requirement

If LWDBs fail to reach consensus with all of the required partners on the amount that each partner will contribute to the one-stop delivery system's infrastructure costs, the SFM process in Section 4.b of this policy is triggered as a "fail-safe" mechanism, though the application of capped levels of funding under the SFM may restrict the amount available for infrastructure funding in a given local area. The local area shall be subject to the SFM for the program year for which consensus was not met and for any subsequent program year that all partners do not reach such agreement. Due to the complex calculations and the timeframes required to complete the SFM process, LWDBs must provide the SWDB an assessment of their status of negotiations by **March 1** of each year.

b. State Funding Mechanism Process

If it is apparent to a LWDB by **March 1** of each year that it will not achieve an IFA agreement, that LWDB must evaluate its progress toward consensus and notify the SWDB of its status using the following decision points:

- i. Whether partners feel consensus can be achieved by **April 1**;
- ii. An assessment of the barriers that are causing the impasse locally; and
- iii. Whether agreement can or cannot be achieved with technical assistance from appropriate entities or through additional negotiation.

Step 1: Notice to Governor of Failure to Reach Consensus

If a local IFA has not been successfully negotiated by **April 1** prior to the beginning of each program year for which it is negotiated, notification of impasse, in writing, must be sent to the WTECB. Notification of failure to negotiate the IFA may be communicated by LWDBs, Chief

Elected Officials or required partners, and all parties involved must receive copies of signed and dated notifications (electronic copies are acceptable).

Step 2: Provision of Local Negotiation Materials

Upon receipt of notification(s), the SWDB - as the Governor's designated representative - will identify staff to support renegotiation by assisting with mediation or technical assistance for up to one month.

Documents accompanying the notification to the Governor must include, at a minimum:

- i. the local WIOA plan;
- ii. the cost allocation methodology or methodologies proposed by the partners to be used in determining the proportionate share;
- iii. the proposed amounts or budget to fund infrastructure costs and the amount of partner funds included;
- iv. the amount of and the type of funds (cash, non-cash, and third-party in-kind contributions available);
- v. any proposed or agreed-upon one-stop center or system budget;
- vi. any partially agreed-upon, proposed, or draft IFAs;
- vii. summary of meetings in which the IFA and negotiations were discussed;
- viii. identification of partners that are causing the impasse; an
- ix. a summary of technical assistance requested and received from the state to date.

The SWDB may request additional information and documentation from the parties. LWDBs may give the SWDB additional materials it finds to be appropriate

Step 3: Determination of One-Stop Center Infrastructure Budgets

If, by **May 1** of each year, the local IFA has not been completed and signed by all parties, the SWDB will initiate determination of the infrastructure budget(s).

Depending on the local delivery system structure, there may be more than one infrastructure budget, each of which is contained in a one-stop operating budget. While the SWDB should take into account the one-stop center's operating budget, it only has the power to determine the infrastructure budget under the SFM.

The SWDB must determine the infrastructure budget in one of two ways. If, as a result of an agreed-upon infrastructure budget, only the individual programmatic contributions to infrastructure funding based upon proportionate use of the one-stop centers and relative benefit received are at issue, the SWDB may accept the infrastructure budget, from which each partner's contribution, consistent with the cost allocation methodologies contained in the federal Uniform Guidance, must be calculated. The U.S. Department of Labor and State recommend this approach.

If, however, an infrastructure budget or budgets were not agreed-upon in the local negotiations, or the SWDB determines that the agreed-upon budget does not adequately meet the needs of the local area or does not reasonably work within the confines of the resources available to that local area (in accordance with the Governor's guidance on one-stop infrastructure funding), then the SWDB must use a formula that it developed on behalf of the Governor (see Steps 4-8 below).

Step 4: Establishment of cost allocation methodology

After an infrastructure budget has been determined, the SWDB must establish a cost allocation methodology that determines the distribution of infrastructure funding costs among the local one-stop partners in accordance with the principles of proportionate use of the one-stop center and relative benefit received. This allocation methodology must be consistent with the Federal Cost Principles of the Uniform Guidance in 2 CFR part 200, all relevant Federal regulations and statutes, further regulatory guidance, and the partner programs' authorizing laws and regulations.

Beyond these requirements, the determining factor may be a wide range of variables, such as number of customers served, square footage used, or a different basis that is agreed-upon by all partners for determining each partner's contribution level for infrastructure costs.

Step 5: Determination of Partners' proportionate shares

Once a methodology is established, the SWDB must use this methodology to determine each required one-stop partner's proportionate share of infrastructure funding costs. The SWDB must consider a number of factors in reaching a proportionate share determination, including:

- i. the costs of administration of the one-stop delivery system for purposes not specifically related to a one-stop center for each partner (such as costs associated with maintaining the LWDB or information technology systems);
- ii. statutory requirements for each partner program;
- iii. each one-stop partner's ability to fulfill such requirements; and
- iv. all other applicable legal requirements.

The Governor may draw upon any proportionate share determinations made during the local negotiations, including any agreements reached at the local level by one or more partners, as well as any other materials or documents from the negotiating process.

Note: For other required partner programs in which grant awards are made to entities that are independent of the authority of the Governor, such as Job Corps contractors or grant recipients of DOL-administered national programs, the determination of the amount each of the applicable partners must contribute to assist in paying the infrastructure costs of one-stop centers continues to be made by the Governor, through the authority granted to the Governor by WIOA and its implementing regulations.

Step 6: Calculation of Statewide Caps

The SWDB must use the established cost allocation methodology to calculate the statewide caps to determine the maximum amounts that required partner programs could be *required* to contribute toward infrastructure funding in that local area. There are no statewide caps for additional partners because the SFM does not apply to them.

The statewide caps are a statutory requirement for purposes of the SFM, even when only one local area is unable to reach consensus on an IFA through the LFM. However, the caps only restrict those infrastructure cost contributions required by one-stop partners within the local area(s) that has (or have) not reached consensus. The caps used in the application of the SFM are referred to as the applicable program caps, which must be calculated by the SWDB using sub-steps, percentages, and formulas detailed on pages 24-25 of TEG 17-16.

In the event that more than one local area does not reach consensus, then the aggregate of the infrastructure funding costs that must be contributed by each required one-stop partner, in all of the local areas, that did not reach consensus is restricted by the applicable program cap.

For example, if three of seven local areas do not reach consensus, the required infrastructure funding contributions of each required one-stop partner under a particular program in these three areas would be added together, the sum of which could not exceed the calculated applicable program cap.

Step 7: Assessment of the Aggregate Total of Infrastructure Contributions as it relates to the Statewide Cap

Once the SWDB has determined the applicable program cap for each program as well as the proportionate share of the infrastructure costs (as determined under Step 5) that are required of each local required one-stop partner in a non-consensus area without regard to the cap, the SWDB must ensure that the funds required to be contributed by each partner program in the non-consensus local area(s), in aggregate, do not exceed the applicable program cap.

If the aggregate total contributions are below the applicable program cap, then the SWDB must direct the one-stop partners to contribute what was determined to be their proportionate shares. If the aggregate total contributions exceed the cap, the SWDB may either:

- i. Inquire as to whether those local partner programs that have pushed the aggregate total contributions above the applicable program cap (i.e., those whose contributions would have otherwise exceeded the statewide cap on contributions) are willing to contribute beyond the applicable program cap in accordance with their proportionate share; or
- ii. Allow the LWDB, one-stop partners, and CEO(s) to:
 1. Re-enter negotiations to reassess each one-stop partner's proportionate share and make adjustments and identify alternate sources of funding to make up the

difference between the capped amount and the proportionate share of infrastructure funding of the one-stop partner; and

2. Reduce infrastructure costs to reflect the amount of funds available without exceeding the applicable program cap level.

Note: For additional guidance and examples, refer to TEG 17-16

Step 8: Proportionate Share Adjustment

If LWDBs, CEOs, and the required one-stop partners have failed to reach agreement on how to address a situation in which the proportionate share exceeds the cap (using the approaches described in Step 7), the SWDB must make adjustments to specific local partners' proportionate share in accordance with the amounts available under the applicable program cap for the associated program. The aggregate total contribution of a program's local one-stop partners under the SFM may not exceed the applicable program cap.

The specific allocations derived through the state funding mechanism will be provided to the impacted LWDB, the CEO, and the required partners for the impacted LWDB prior to July 1 of each year.

c. Appeals Process

LWDB chairs, CEOs, or required partners may appeal for cause, in writing, within 21 calendar days of receipt of the specific terms of the state funding mechanism determination.

The appeal must be clearly labeled as such and must be addressed to the Governor. It must identify the appellant and the basis for the appeal. The petitioner must demonstrate that the State's funding determination is inconsistent with:

- (1) the proportionate cost-share requirements, or
- (2) the cost-contributions limitations, or
- (3) the cost-contribution caps.

The appeal letter may originate with LWDB Chair, Chief Elected Official(s), or required partner(s), and must be signed (electronic signature is acceptable) and dated. All parties involved must receive copies of the notification.

The Governor will acknowledge the appeal and return a determination under the authority of the Governor as quickly as feasible.

Until the appeal process is completed, the appellant remains responsible for its contribution as originally determined in the state funding mechanism. If a partner's appeal to the state is successful and there is a change to the partner's infrastructure cost contributions, then the MOU must be updated to reflect those changes.

5. Definitions:

Infrastructure Costs – Non-personnel costs that are necessary for the general operation of the one-stop center, including, but not limited to:

- Rental of the facilities;
- Utilities and maintenance;
- Equipment (including assessment-related and assistive technology for individuals with disabilities); and
- Technology to facilitate access to the one-stop center, including technology used for the center's planning and outreach activities. This may include costs associated with the development and use of the common identifier (i.e., AJC signage) and supplies.

Non-Personnel Costs - Are all costs that are not compensation for personal services

Personnel Costs - Include salaries, wages, and fringe benefits of the employees of partner programs or their subrecipients as described in 2 CFR 200.431.

Additional Costs - One-stop partner programs must share in additional costs, which must include applicable career service, and may include shared operating costs and shared services that are necessary for the general operation of the one-stop center(s). Refer to TEG 16-16 for more detail.

Infrastructure Cost Funding – May be in the form of (1) cash, non-cash, and third-party in-kind contributions; (2) funding from philanthropic organizations or other private entities; or (3) other alternative financing options, as described in WIOA Sec. 121(c)(2)(A)(ii). Cash funds may be provided to the local board or its designee by one-stop partners, either directly or by an interagency transfer, or by a third party. Non-cash funds are expenditures incurred by one-stop partner programs on behalf of the one-stop center; and non-cash contributions or goods or services contributed by a partner program and used by the one-stop center. Third-party in-kind contributions may consist of space, equipment, technology, non-personnel services, or other like items to support the infrastructure costs associated with one-stop operations, by a non-one-stop partner to: support the one-stop center in general; or support the proportionate share of one-stop infrastructure costs of a specific partner. Non-cash and third-party in-kind contributions must be valued consistent with 2 CFR 200.306 to ensure they are fairly evaluated and meet the partners' proportionate share and relative benefit. Partners must fairly value contributions on a periodic and annual basis.

Proportionate Use - For the purpose of this joint policy guidance, "proportionate use" refers to a partner program contributing its fair share of the costs proportionate to: (1) the use of the one-stop center by customers that may include reportable individuals and participants in its program at that one-stop center; (2) the amount of square footage occupied by the partner program in the one-stop center; or (3) another allocation base consistent with the Uniform Guidance.

Relative Benefit - In determining the proportionate share, the "relative benefit" received from participating in the one-stop delivery system is another step in the cost allocation process and

does not require partners to conduct an exact or absolute measurement of benefit, but instead to measure a partner's benefit using reasonable methods.

State Funding Mechanism - Although the local one-stop operating budget contains different cost components, failure by only one of the required partner programs to reach consensus in a local area with respect to the infrastructure costs in the IFA will trigger implementation of the SFM. A failure by required partners to reach consensus on additional costs does not trigger the SFM. If the Local WDB and required one-stop partners fail to reach consensus on funding infrastructure costs under the LFM, as outlined above, this will trigger the SFM. Even if all required partners *except one* agree on the terms of the IFA, consensus is not reached, and the SFM is triggered.

6. References:

- [Workforce Innovation and Opportunity Act of 2014](#), Section 121(a)(1); 121(c)(2)(A); 121(h)
- [WIOA Joint Rule-Federal Register](#) WIOA Joint Rule on Unified and Combined State Plans, Performance Accountability and One-Stop System Joint Provisions, 20 CFR 678.500(b), 34 CFR 361.500(b) and 34 CFR 463.500(b); 20 CFR 678.700 and 678.760, 34 CFR 361.700 and 361.760, and 34 CFR 463.700 and 463.760.
- [2 CFR 200.306](#) and DOL CFR Ch II, Pt. 2900
- [20 CFR 678.725-750 and 678.730](#)
- [TEGL 16-16 WIOA-General Guidance for One-Stop Operations](#)
- [TEGL 17-16, Infrastructure Funding of the One-Stop Delivery System](#)
- Resource Sharing for Workforce Investment Act One-Stop Centers: Methodologies for Paying or Funding Each Partner Program's Fair Share of Allocable One-Stop Costs; Notice. Published at 66 FR 29638 (May 31, 2001)
- WorkSource System Policy 1013, Rev. 2

7. Supersedes:

None.

8. Website:

<https://wpc.wa.gov/adm/policy/state>

9. Action:

Local Workforce Development Boards and their contractors must distribute this policy broadly across the one-stop system to ensure that WorkSource System staff are familiar with its content and requirements.

10. Attachments:

Attachment I: Examples of Cost Pools and Possible Allocation Bases, TEGL 17-16, Att. I

Attachment II: [Paying for the One-stop Delivery System](#), TEGL 17-16, Att. II

Attachment III: Required Partners in One-Stop System and Infrastructure Costs: Funding Sources
Attachment IV: Timeline Expectations Regarding IFA and SFM Trigger

Direct Inquiries To:

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WIOA Policy 1024, Attachment I
Examples of Cost Pools and Possible Allocation Bases

Cost Pool	Possible Allocation Bases
Facilities: Building rent, maintenance costs, utilities, tenant improvements, or any other similar costs related to the physical structure housing the one-stop center.	Square footage occupied by each partner agency as compared to the total space. Workstation usage by partners as compared to total workstations.
Telecommunications: Monthly telephone costs, telephone system equipment, data lines, T-1 lines, and other similar costs.	Dedicated telephone units as compared to all units.
Information Technology: Shared equipment, software, IT maintenance costs, Internet access, and other similar costs.	Number of dedicated computers (including all necessary equipment) as compared to total.
Resource Center: Costs of shared equipment, displays, computer learning, specialized software for computer learning, furniture, copier, fax machine; may also include related staff costs.	Number of program participants or reportable individuals utilizing the resource center.
Common Intake System: Costs of developing common intake data formats, preparation and interview of customers, and similar costs.	Use of common data formats and data elements required for each program. Use of number of customer or participant records maintained by each partner program.
One-Stop Center Management Staff: Costs of the center director.	Number of partner program staff FTEs. Square footage of partner program benefit or number of program participants and reportable individuals served.
One-Stop Center General Operations Staff: Costs of the receptionist, staff of the resource center.	Number of partner program participants.
Shared Equipment and Supplies: Staff copier, fax, associated supplies, and furniture.	Usage by staff of each partner program. Occupancy (square footage) basis; numbers of staff workstations.
Career Services: Staff and benefit costs, development of common forms for case management, and similar costs.	Time distribution system (time sheets, work sampling, time and motion studies); numbers of clients eligible for specific program; weighted participation numbers.

Source: [USDOL TEGL 17-16, Attachment I](#)

WIOA Policy 1024, Attachment II Paying for the One-Stop Delivery System

GOVERNOR GUIDANCE	<i>WIOA sec. 121(h)(1)(B); 20 CFR 678.705, 34 CFR 361.705, 34 CFR 463.705</i>
Governors must issue guidance regarding the infrastructure funding of a one-stop delivery system after consultation with chief elected officials (CEO), the State workforce development board (WDB), and Local WDBs. The guidance must be consistent with guidance and policies provided by the State WDB.	

LOCAL DELIVERY SYSTEM	<i>WIOA sec. 121; 20 CFR 678.300, 34 CFR 361.300, 34 CFR 463.300</i>
<ul style="list-style-type: none"> ▪ The Local WDB and CEO(s) finalize the list of one-stop delivery system partners in a local area ▪ The Local WDB, CEO(s), and partners: <ul style="list-style-type: none"> • Identify one-stop delivery system locations and determine types of locations (comprehensive, affiliate, specialized one-stop centers, etc.), • Determine services to be provided through the one-stop delivery system, and • Develop and agree on a one-stop delivery system operating budget(s). 	

MEMORANDUM OF UNDERSTANDING (MOU)	<i>WIOA sec. 121(c); 20 CFR 678.500, 34 CFR 361.500, 34 CFR 463.500</i>
<ul style="list-style-type: none"> ▪ The Local WDB, with the agreement of the CEO(s), develops and enters into a signed umbrella memorandum of understanding (MOU) or individual MOUs with the one-stop partners. ▪ MOUs must, at a minimum, describe the services to be provided, contain the one-stop operating budget, outline how infrastructure and additional costs will be funded, and contain several other elements outlined in WIOA sec. 121(c) and 20 CFR 678.500, 34 CFR 361.500, and 34 CFR 463.500. ▪ An Infrastructure Funding Agreement (IFA) is established that 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 benefits received from the use of the one-stop center consistent with Federal Cost Principles in the Uniform Guidance at 2 CFR part 200 and the Department of Labor exceptions at 2 CFR part 2900. ▪ The IFA must be consistent with the partner programs' authorizing laws and regulations, and other applicable legal requirements. ▪ Changes in the one-stop partners or an appeal by a one-stop partner's infrastructure cost contributions will require an update of the MOU. ▪ The IFA is a part of the MOU; it is not a separate document. 	
WAS CONSENSUS ON THE IFA OBTAINED?	



Consensus Obtained Local Funding Mechanism	No Consensus Obtained State Funding Mechanism
<i>WIOA sec. 121(h); 20 CFR 678.715 – 678.745, 34 CFR 361.715 – 361.745, and 34 CFR 463.715 – 463.745</i>	
<ul style="list-style-type: none"> ▪ Continue one-stop operations and service delivery. ▪ Periodically reconcile IFA with actual costs. ▪ Modify other costs, such as additional costs budget, and partner contributions, as appropriate. ▪ Modify allocation methods, if necessary. 	<ul style="list-style-type: none"> ▪ When local negotiations for PY 2017 (and subsequent PYs) are unable to reach consensus, notify Governor by deadline established in Governor's guidance to trigger state funding mechanism 1. ▪ Once partner contributions are determined, periodically reconcile IFA with actual costs. ▪ Modify other costs, such as additional costs budget, and partner contributions, as appropriate. ▪ Modify allocation methods, if necessary.

Types of One-Stop Delivery System Costs

INFRASTRUCTURE COSTS		<i>WIOA sec. 121(h)(4); 20 CFR 678.700(a)-(b), 34 CFR 361.700(a)-(b), 34 CFR 463.700(a)-(b)</i>
<ul style="list-style-type: none"> ▪ Non-personnel costs ▪ Costs necessary for the general operation of the one-stop center, including but not limited to: ▪ Applicable facility costs (such as rent) including costs of utilities and maintenance ▪ Equipment (including 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 ▪ May consider common identifier costs as costs of one-stop infrastructure ▪ May consider supplies as defined in the Uniform Guidance at 2 CFR 200.94, to support the general operation of the one-stop center. 		
ADDITIONAL COSTS <i>(Applicable career services, shared operating costs, and shared services)</i>		<i>WIOA sec. 121(i)(1); 20 CFR 678.760(a)-(b), 34 CFR 361.760(a)-(b), 34 CFR 463.760(a)-(b)</i>
<ul style="list-style-type: none"> ▪ Must include the costs of the provision of career services in WIOA sec. 134(c)(2) applicable to each program consistent with partner program’s authorizing Federal statutes and regulations, and allocable based on Federal cost principles in the Uniform Guidance at 2 CFR part 200. ▪ May include shared operating costs and shared services that are authorized for, and may be commonly provided through, the one-stop partner programs, including initial intake, a assessment of needs, a appraisal of basic skills, identification of appropriate services, referrals to other one-stop partners, and business services. 		
INFRASTRUCTURE FUNDING TYPES		<i>20 CFR 678.720 and 678.760, 34 CFR 361.720 and 361.760, 34 CFR 463.720 and 463.760</i>
Cash	Non-Cash	Third-Party In-Kind
<ul style="list-style-type: none"> ▪ Cash funds provided to the local board or its designee by one-stop partners, either directly or by an interagency transfer, or by a third party. 	<ul style="list-style-type: none"> ▪ Expenditures incurred by one-stop partners on behalf of the one-stop center; and ▪ Non-cash contributions or goods or services contributed by a partner program and used by the one-stop center. 	<ul style="list-style-type: none"> ▪ 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: <ul style="list-style-type: none"> ▪ Support the one-stop center in general; or ▪ Support the proportionate share of one-stop infrastructure costs of a specific partner.
		<p>Must be valued consistent with 2 CFR 200.306 to ensure they are fairly evaluated and meet the partners’ proportionate share. Partners must fairly value contributions on a periodic and annual basis.</p>

¹ For PY 2016, continue one-stop operations and service delivery as long as possible, using processes established under WIA.

WIOA Policy 1024, Attachment III

I. Required Partners in the One-Stop System per Joint WIOA Final Rule noted in TEGL17-16:

Department of Labor (DOL)

- WIOA title I programs:
 - Adult, Dislocated Worker, and Youth formula programs;
 - Job Corps; YouthBuild; Native American Programs*; National Farmworker Jobs Program (NFJP);
- Wagner-Peyser Act Employment Service (ES) program, authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), as amended by WIOA title III;
- Senior Community Service Employment Program (SCSEP), authorized under title V of the Older Americans Act of 1965;
- Trade Adjustment Assistance (TAA) activities, authorized under chapter 2 of title II of the Trade Act of 1974;
- Unemployment Compensation (UC) programs including RESEA;
- Jobs for Veterans State Grants (JVSG) programs, authorized under chapter 41 of title 38, U.S.C.; and
- Reentry Employment Opportunities (REO) programs (formerly known as Reintegration of Ex-Offenders Program (RExO)), authorized under sec. 212 of the Second Chance Act of 2007 (42 U.S.C. 17532) and WIOA sec. 169;

Department of Education (DOE)

- Adult Education and Family Literacy Act (AEFLA) program, authorized under 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 (Perkins IV); and
- The State Vocational Rehabilitation (VR) Services program, authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.), as amended by WIOA title IV

Department of Housing and Urban Development (HUD)

- Employment and training programs;

Department of Health and Human Services (HHS)

- Employment and training activities carried out under the Community Services Block Grant (CSBG) programs (42 U.S.C. 9901 et seq.); and
- Temporary Assistance for Needy Families (TANF) program, authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), unless exempted by the Governor under 20 CFR 678.405(b), 34 CFR 361.405(b), and 34 CFR 463.405(b).

*Note: Governor of WA did not exempt TANF as a partner program and, in fact, mandated them as a required One-Stop Partner.

*Native American Programs are a required one-stop partner and are strongly encouraged, but not required to contribute to infrastructure costs under WIOA. Any agreement regarding the contribution or non-contribution to infrastructure costs by Native American programs must be documented in the MOU per WIOA sec.121(h)(2)(D)(iv).

II. Determining Source Funds to Pay Infrastructure Costs

When determining which funds can be used to pay infrastructure costs, Required One-Stop Center Partners must remain in compliance with their authorizing federal statute as well as 20 CFR § 678.720, which provides stipulations on the types of funds certain partners are allowed to use towards their proportionate share under the local funding mechanism. These limitations include the following:

- **WIOA Title I** – Infrastructure costs can be paid as program and/or administrative costs.
- **WIOA Title II** – Infrastructure costs can only be paid from funds available for local administrative expenses or from non-federal resources that are cash, in-kind, or third-party contributions.
- **WIOA Title III** – As the regulations did not specify a funding source for Title III, any available funds may be utilized for infrastructure costs.
- **WIOA Title IV** – Infrastructure costs are paid from administrative costs.
- **Career and Technical Education** – Infrastructure costs must be paid from funds available for local administrative of postsecondary level programs and activities to eligible recipients, or a consortia of eligible recipients, and may be paid from funds made available by the state or non-federal resources that are cash, in-kind, or third-party contributions.
- **TANF/JOBS** – Infrastructure costs are paid only from those funds used for the provision or administration of employment and training programs for the benefit of TANF participants.
- **SNAP Employment & Training** - Infrastructure costs are paid from administrative costs

III. Infrastructure Costs: Funding Sources

Dept.	Partner Program	Required/Additional Partner	Admin. Funds to Pay for Infrastructure Costs ¹	Program Funds to Pay for Infrastructure Costs	State Funding Mechanism Applicable ²
DOL	WIOA Title I programs: • Adult, Dislocated Worker, & Youth	Required	Yes	Yes	Yes
DOL	• Job Corps	Required	No	Yes	Yes
DOL	• YouthBuild	Required	Yes	Yes	Yes
DOL	• NFJP	Required	Yes	Yes	Yes
DOL	• Native American programs ³	Required	Yes	Yes	No

DOL	Wagner-Peyser Act ES	Required	N/A ⁴	Yes	Yes
DOL	SCSEP	Required	Yes	Yes	Yes
DOL	TAA program	Required	Yes	Yes	Yes
DOL	UC programs	Required	N/A ⁴	Yes	Yes
DOL	JVSG programs	Required	N/A ⁴	Yes	Yes
DOL	REO programs authorized under sec. 212 of the Second Chance Act of 2007 (42 U.S.C. 17532) and WIOA sec. 169	Required	Yes	Yes	Yes
ED	AEFLA program, authorized under WIOA title II	Required	Yes	No	Yes
ED	The State VR program authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.), as amended by WIOA title IV	Required	N/A ⁴	Yes	Yes
ED	Career and technical education programs at the postsecondary level, authorized under the Carl D. Perkins Career and Technical Education Act of 2006	Required	Yes	No	Yes
HUD	Employment and training activities carried out by HUD	Required	Consult partners' authorizing documents.	Consult partners' authorizing documents.	Yes
HHS	Employment and training activities carried out under the CSBG programs	Required	Consult partners' authorizing documents.	Consult partners' authorizing documents.	Yes
HHS	TANF	Required ⁵	Yes	No	Yes ⁶
Other	Partners as outlined by WIOA sec. 121(b)(2)(B) and 20CFR 678.410 ⁷	Additional	Consult partners' authorizing documents.	Consult partners' authorizing documents.	No

LIMITATIONS:

¹ Partners' funding contributions for infrastructure costs are subject to the partner programs' administrative cost limitations and restrictions. The definition of administrative costs may also differ from one partner program to the next.

² Statutory caps for infrastructure funds is applicable only if the State Funding Mechanism is being implemented.

³ Native American programs, as required One-stop partners, are strongly encouraged to contribute to infrastructure costs, but they are not required to make such contributions under WIOA.

⁴ These programs do not distinguish between program or administrative funds since there is only one allotment from which all expenditures – administrative costs and program costs – must be paid. Although the VR program imposes no limits on the amount of funds that may be spent on administrative costs, VR agencies must report funds spent for infrastructure costs as administrative costs.

⁵ At the discretion of the Governor, in accordance with WIOA sec. 121(b)(1)(C) and 20 CFR 678.405.

⁶ The Governor of WA determined that TANF will be a required partner subject to IFA/SFM.

⁷ Additional partners are required to share in infrastructure costs when participating in the one-stop service delivery system; however, the State funding mechanism is not applicable to additional partners.

WIOA Policy 1024, Attachment IV IFA Timeline and SFM Trigger

March 1 - LWDBs must provide to WTECB an assessment of the status of their IFA negotiations for the subsequent program year to begin July 1. (Section 4.a.)

- If an LWDB reports that they have **not** achieved agreement around an IFA, the LWDB must indicate whether they feel consensus will be achieved by **April 1**, or whether specific technical assistance from state partners is needed. (Section 4.b.)

March 31 - If LWDBs agree upon an IFA, they must send a letter to WTECB signed and dated by partners indicating agreement and that all items in Section 3.b. are included in local IFA.

April 1 - If no IFA is agreed to, the LWDB must send the Governor's designee, WTECB, a notification of impasse. Upon receipt of notification, the Governor (or designee) will charge Board staff to support re-negotiation of IFAs with specific technical assistance for up to one month, as specified in Section 4, Step 2 of the draft policy.

May 1 - If no agreement is reached, the WTB will begin determining a draft infrastructure budget* using the procedures specified in Steps 3-8 of the draft policy.

*This infrastructure funding budget will only trigger if the LWDB does not reach a negotiated agreement prior to the beginning of the program year on July 1.