Proposed New Content -- Section VIII. Jointly Supporting the One-Stop Delivery System

The parties mutually understand the obligations and responsibilities for each State-Level One-Stop Delivery System Partner Program to share in the costs of operating WorkSource Centers (hereafter "Operating Costs") and Affiliate Sites at the local level, as required by 34 CFR Part 678, Subparts C and E. These costs are categorized as Infrastructure Costs and Additional Costs, as described below and in 20 CFR 678.700, 20 CFR 678.760, and Training and Employment Guidance Letter (TEGL) 17-16, *Infrastructure Funding of the One-Stop System*. Attachment D provides a matrix that summarizes the cost sharing required of State-Level One-Stop Service Delivery Partner Programs for the operations of a WorkSource site, including Infrastructure Costs and Additional Costs.

Operating Budget

The total operating budget for the WorkSource site will be the basis for determining the amount that a state-level program contributes to Infrastructure Costs and Shared Services Costs. The budget will specify a 12-month timeframe aligned to the program year and be itemized by:

a. Cost Category;
b. Cost Pool;
c. Cost item; and
d. Cost Dollar Amount.

1. Infrastructure Costs

   Those, non-personnel, Infrastructure Costs are those that are necessary for the general operation of the one-stop center, including, but not limited to applicable facility costs (such as rent), costs of utilities and maintenance, equipment (including assessment related products and assistive technology), and technology to facilitate access to the one-stop center, including technology used for the centers planning and outreach activities. Defined in 20 CFR 678.700 and TEGL 17-16.

2. Additional Costs

   Those described in 20 CFR 678.760 and TEGL 17-16 that are funded by a state-level program to provide its applicable career services Sec. 134(c)(2) at a one stop site including agreed upon shared operating costs and shared services costs that do not constitute infrastructure costs.

   a. Career Services and Applicable Career Services

Career services funded by WIOA Title III are universally available through WorkSource as described in 20 CFR 678.430. Services provided must be consistent with local strategic and operational plans approved by the WTECB. Career services include:

i. Basic Career Services;
ii. Individualized Career Services; and
iii. Follow-up Services.

Each state-level program that provides its applicable career services, as described in 20 CFR 678.425, at a WorkSource site will determine the dollar valuation of those services to be included in the site's operating budget as a non-cash contribution.

b. Shared Operating Costs and Shared Services Costs
A state-level program's contribution to locally agreed shared operating costs and shared services costs will be based upon its proportion of clients at the WorkSource site who were participants in staff assisted job seeker services during the previous 12-months, including WIOA Title I Adult, Dislocated Workers, and Youth Services, WIOA Title III Wagner-Peyser Services, and the Trade Adjustment Assistance Program.

> Example: Customers of State-Level Program XYZ comprised 20.0% of all individuals who were participants in staff assisted job seeker services during the past 12-months at WorkSource ABC, so the program will contribute an amount equal to 20.0% of shared operating costs and shared services costs for the coming 12-month budget period.

When a state-level program contracts with a WDC or One-Stop Operator to provide career services exclusively to its customers at a WorkSource site, the amount of the contract shall be factored in to the program's contribution of shared operating costs and shared services costs.

Further, the parties mutually understand that the amount and type of funds or non-cash contributions that each State-Level One-Stop Delivery System Partner Program contributes to the operating costs of specific WorkSource sites shall be determined at the local level through MOUs and Infrastructure Funding Agreements (IFAs) with WDCs. The amount of contribution shall be relative to the program's benefit and proportion of usage by the identified factors described in Section IX, based upon the *Federal Cost Principles Contained in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 2 CFR Part 200.

> Note: For the purpose of developing IFAs that will be in effect through June 30, 2019, the parties presume that each State-Level One-Stop Delivery System Partner Program receives relative benefit from its role within and use of the system. Therefore, consistent with TEGL 17-16, an exact or absolute measurement of benefit will not be conducted. However, during the period of this MOU the parties will collaborate to reach consensus on defining a reasonable method of determining relative benefit that will be provided for the development of IFAs that take effect July 1, 2020.

Lease of real estate for state agencies – In cases where a state agency is leasing from a state agency the Department of Enterprise Services (DES), in consultation with Office of Fiscal Management (OFM), is required to implement a sub-lease agreement.

> RCW 43.82.010, section 8, identifies DES will charge each agency "…it's proportional rental, which shall include an amount sufficient to pay all costs, including, but not limited to, those for utilities, janitorial, and accounting services, and sufficient to provide for contingencies."

Each local sub-lease includes a specific budget and list of items charged. Some of these costs may duplicate required WIOA Infrastructure costs. When this occurs, any existing sub-lease must be reconciled and given credit against any agency proportional amounts due as defined in 20 CFR 678.700 and TEGL 17-16.

Proposed New Section – Section IX. Determining Proportional Share of Operating Costs

The parties agree that local representatives of each state-level program will be directly involved in the development of MOUs and IFAs with WDCs, and will use the following elements for determining their program's contributions to Infrastructure Costs and Additional Costs on a site-by-site basis:

A state-level program's contribution to these costs should include one, or a combination, of the following:

a. The actual cost of square footage occupied by the program's staff assigned to the site for offices, work stations, meeting rooms, and other space dedicated for only their use.
b. The actual and/or proportional cost of utilities associated with staff occupancy (e.g., internet connections, phone lines, heat, lights, water and sewer, etc.).
c. The proportional cost of shared or common space associated with staff occupancy (e.g., resource rooms, shared meeting rooms, computer labs, reception areas, bathrooms, lunch rooms, etc.).
d. The proportional cost of shared equipment and technology associated with staff occupancy (including assessment and assistive technology).
e. The proportional cost of facilitating virtual service delivery through direct linkages within a WorkSource Center when program staff are not physically located in the center.
f. A negotiated cost-per-participant rate based on actual or projected use of facilities/infrastructure.

   State Guidance

   To guide the local process, each required WIOA state agency partner has calculated, using client service related data, combined with other relevant methods (items a-f) specific to their affiliations with the one-stop center, the agency proportionate percentage. When no historical data was available, proposed service rates were used. Rates to guide local discussion are listed in the following chart or, in cases where a local rate is required, provided directly to local entities from the state agency.

Insert chart

Calculation methodology should be applied equally to Infrastructure and any locally agreed shared operating costs.

When a state-level program contracts with a WDC or One-Stop Operator to provide career services exclusively to its customers at a WorkSource site, any portion of the contract that is allocable to shared operating costs and shared services costs shall be counted towards the program's total contribution of those costs.

Additional Resources

The parties encourage WDCs to utilize the *Sample MOU and Infrastructure Costs Toolkit*, https://ion.workforcegps.org/resources/2017/03/23/13/30/Sample_MOU_Infrastructure_Costs_Toolkit?utm_source=Global+Notification+WFGPS&utm_campaign=7e6ea7f043-EMAIL_CAMPAIGN_2017_03_24&utm_medium=email&utm_term=0_df70b47c9f-7e6ea7f043-421305201, available from the federal Department of Labor as a foundation for developing local MOUs and IFAs.

The parties agree that local IFAs will include quarterly reconciliation of budgeted and actual costs, and that a state-level program's contribution will be adjusted annually accordingly.

Further, the parties agree that when the local representative of a State-Level One-Stop Delivery System Partner Program participates in the development of a MOU and IFA for a WorkSource site maximum effort will be made to successfully utilize the Local Funding Mechanism (20 CFR 678.715 through 678.720) to identify the amount of funds and/or non-cash contributions the program will contribute to infrastructure costs. The parties do not intend to utilize the State Funding Mechanism detailed in 20 CFR 678.730 through 678.750 unless there are extremely rare circumstances when consensus cannot be reached on a Local Funding Mechanism. In those circumstances, a WDC will follow the notification and dispute resolution processes established by the Governor. These procedures are described in Attachment E.