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Category/Subject: WIOA State Infrastructure Funding Formula
Colorado One-Stop System Policy Guidance Letter#: WIOA-2016-03
Revise/Replace PGL#: N/A
Date: June 1, 2016
Distribution: One-Stop Partner Program Administrators, Managers, Workforce Development Programs Staff, Workforce Directors and Staff

**I. REFERENCES:**

- Title I of the Workforce Innovation and Opportunity Act (WIOA) PL 113-128 – July 22, 2014; *WIOA Sections 107, 111(b), and 121(c),(d), (g), and (h)*;

**II. PURPOSE:**

- To provide comprehensive guidance and policy direction to Local Workforce Development Boards (local boards), Local Workforce Areas (local areas), and all WIOA required one-stop system partners on the establishment of a state back-up formula for infrastructure funding.
- To establish a July 1, 2017, deadline for inclusion of infrastructure funding in local partner MOUs.

**III. BACKGROUND:**

The Workforce Innovation and Opportunity Act of 2014 (WIOA) requires all partners to contribute to infrastructure funding of the one-stop system in each local area. Contributions can be made in cash or in fairly-evaluated in-kind contributions. Each local board is required to establish a Memorandum of Understanding (MOU) with each partner in that local area that includes how infrastructure funding will be contributed. If a local board cannot reach agreement with the partners, then the state formula outlined in this policy must be followed.

**IV. POLICY/ACTION:**

**A. Overview**

WIOA requires all one-stop partner programs to contribute to infrastructure funding of the one-stop system. The partners impacted by this requirement are:

- Title I programs (Adult, Dislocated Worker, Youth, Job Corps, YouthBuild, Native American, and migrant seasonal farmworker);

- Title II adult education and literacy activities;
- Wagner-Peyser Act employment services programs;
- The Vocational Rehabilitation program under Title I of the Rehabilitation Act;
- The Senior Community Service Employment Program authorized under Title V of the Older Americans Act;
- Postsecondary career and technical education programs authorized under the Carl D. Perkins Career and Technical Education Act;
- Trade Adjustment Assistance authorized under the Trade Act;
- Jobs for Veterans State Grants programs authorized under chapter 41 of title 38, U.S.C.;
- Employment and training activities under the Community Services Block Grant;
- Employment and training activities of the Department of Housing and Urban Development;
- State unemployment compensation program;
- Ex-offender programs authorized under section 212 of the Second Chance Act; and
- Temporary Assistance to Needy Families (TANF) authorized under the Social Security Act, unless exempted by the Governor.

WIOA defines infrastructure costs to be non-personnel costs related to the delivery of services in a local area and can include:

- Non-personnel costs that are necessary for the general operation of the one-stop center, including:
  - Rental costs of facilities
  - Costs of utilities and maintenance
  - Equipment
    - Assessment related products
    - Assistive technology for individuals with disabilities
  - Technology to facilitate access to the one stop center
    - Center’s planning activities
    - Center’s outreach activities

Infrastructure of the system—which is comprised of all one stop centers, satellite offices, and other locations of service delivery by partner programs—includes the intellectual capital possessed by partner program staff members and the electronic and other linkages that are established to seamlessly transition customers between programs.

This policy specifies the contribution requirements based on the proportional use and benefit of the system by each partner. Colorado recognizes that federal law requires the physical co-location within a comprehensive one-stop center of only Title I-B (Adult, Dislocated Worker, Youth) services and Title III (Wagner-Peyser Employment Services) services. While Colorado recognizes that local areas can best optimize the delivery of services to customers through their own determination of where services are located, the Colorado Workforce Development Council also understands the benefits to customers of comprehensive centers with co-located programs and encourages the establishment of such models.

This policy therefore considers the holistic nature of the one-stop system and sets forth cost-sharing requirements that support customers, both job seekers and businesses, in a

comprehensive fashion. Distinctions are made in the requirements for programs that are co-located and programs that are not co-located.

### **B. Co-located Partners**

Co-located partners include any program that is placing staff members in the same facility that is identified as a comprehensive one-stop center by a local board. If such partners cannot reach agreement on cost contributions, then the following formula shall apply.

- Each partner will make a financial contribution (cash) based on the number of staff members active at the center.
- A usage percentage shall be determined by calculating the full-time equivalent (FTE) of the partner program divided by total FTE of all programs in the center.
- That percentage shall be multiplied by the sum total of infrastructure costs of: rent/lease, utilities, maintenance, General IT (excluding capital equipment purchases and non-shared subscription services) and phone.
- An annual allotment will be determined based on the usage percentage multiplied by the average of the past two years' cost for the line items listed above.
- Cash contributions made through this formula will be withheld by each partner program's administrative agency and transferred to the Colorado Department of Labor and Employment to be distributed to local areas in conjunction with formula allocations.

### **C. Non Co-located Partners**

Non co-located partners include all partner programs referenced in WIOA section 121 who do not have staff physically based at the identified comprehensive one-stop center in a local area. All non co-located partners following this state formula shall contribute in-kind contributions to support the infrastructure of the one-stop system in each local area.

To fulfill infrastructure funding requirements, all partner programs will commit internal resources, funded from the administrative funds of each respective program, to professional development for system staff members on an annual basis. The following stipulations shall apply.

- Each partner will commit to training a percentage of its staff based on the proportion of program staff to all staff involved in the one-stop system.
- Training may include:
  - Sending staff members to local area, regional, or state-wide events;
  - Staff participation in The Colorado Workforce Forum online training sessions; and
  - Other professional development opportunities developed or approved by the Colorado Workforce Development Council.
- Each partner will develop training resources on its program to be used by other one-stop partners to disburse necessary knowledge to adequately cross-train staff.
- Each partner will make staff available to train other partners with the developed resources as necessary.

## **D. Appeals Process**

When the state infrastructure formula is being used, a local area or a partner program may appeal the Governor's determination of the portion of funds or in-kind to be provided for infrastructure costs, to the Colorado Workforce Development Council.

- An appeal must be in writing and filed with the Colorado Workforce Development Council within fourteen (14) days after notification of the decision. Submit the appeal to the Chairperson of the Colorado Workforce Development Council (CWDC) and to the Director of the CWDC by sending an email to [cwdc@state.co.us](mailto:cwdc@state.co.us).
- The appeal must contain a specific statement of the grounds upon which the appeal is sought.
- The State board will have 60 days to review the appeal and make a recommendation to the Governor. The review will take into account information provided in the appeal on the basis that such determination is inconsistent with the requirements of state policy and/or WIOA Section 121(h).
- The final decision rests with the Governor.
- If the final decision of any appeal reverses the prior decision, it will become effective July 1 of the most recent program year.

## **E. Implementation**

Each local workforce board is required to establish MOUs with partner programs that indicate how infrastructure costs are contributed and if a local formula or this state formula is being utilized. On an annual basis, the CWDC will verify with local boards and state administrators which programs are following the state formula and work with those entities to establish the annual in-kind or cash contributions.

Local areas should anticipate separate tracking of infrastructure contributions and costs based on their normal accounting and cost allocation methodologies. This will provide a paper trail for any auditor to follow.

## **VII. IMPLEMENTATION DATE:**

Upon receipt of this PGL. Each local workforce board should begin the process of negotiating the local infrastructure cost formula with the required one-stop partners during PY 16 in preparation for the beginning of PY 17. Local MOUs, which will include either an agreement with partners on a local infrastructure formula or adoption of this statewide formula, must be in place **no later than July 1, 2017**.

## **VIII. INQUIRIES:**

Please direct all inquiries to Colorado Workforce Development Council staff:  
[cwdc@state.co.us](mailto:cwdc@state.co.us).

*Stephanie Veck*

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Stephanie Veck, Director  
Colorado Workforce Development Council

Date