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)
- TEGL 17-16: Infrastructure Funding of the One-Stop Delivery System
- WIOA Department of Labor Joint Rule (81 FR 56016, Aug. 19, 2016), Subpart E, 678.700 – 678.760; 361.700 – 361.760; 463.700 – 463.760

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.

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 funding mechanism, which is 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:
  o 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
      o Assessment related products
      o Assistive technology for individuals with disabilities
    • Technology to facilitate access to the one stop center
      o Center’s planning activities
      o Center’s outreach activities
    • Common identifier costs

Infrastructure of the system—which is comprised of all one stop centers, both comprehensive and affiliate sites, and other locations of service delivery by partner programs—includes the electronic and other linkages that are established to seamlessly transition customers between programs.

Definitions:
• Comprehensive Center: A one-stop center that includes two or more co-located required partners and, in addition, where job seekers and employer customers can access the programs, services, and activities of all required one-stop partners.
• **Affiliate Center:** A one-stop center that includes at least two co-located required partners, but does not have access to the services of all required partners.

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, **or in an affiliate center, for the purposes of providing relevant career services or business services as defined in WIOA.** Contributions must be made by all co-located partners in affiliate centers. 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 a determined percentage of the 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 the state funding mechanism 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 **non-cash** contributions to support the infrastructure of the one-stop system in each local area.
The contribution amount will be determined by examining the number of customers enrolled in the partner programs at the specialized centers who are also enrolled in a Title I-B or Title III program at the comprehensive center. The proportionate costs of the infrastructure at the specialized center will be counted as a non-cash contribution to cover the proportionate use of the comprehensive center.

NOTE: Non co-located partners are responsible for contributions to the comprehensive center. They are not responsible for contributions to any affiliate centers where they are not co-located.

D. PROCESS

If a local area fails to reach an agreement, the WDB must send notice to the CDLE Regional Liaison and the CWDC. All documents utilized by the local area in the negotiations process, including any budgets or allocation methodologies that have been agreed upon, should be sent via email with the notice. The CWDC will then follow the steps outlined in Attachment 1 to determine the contributions and notify the local area and partners.

Note that the regulations at 683.205(a)(5) state that the "Costs of negotiating a One-Stop Partners Memorandum of Understanding (MOU) or Infrastructure Funding Agreement (IFA) are excluded from administrative costs limitations." These costs are considered program costs.

E. PROGRAM CAPS ON CONTRIBUTIONS

When the statewide formula is utilized, there is a limiting percentage, or cap, that is applied to the total federal funds for each program as specified in the law. Each program’s percentage is outlined in Attachment 2. The total amount a partner can contribute is pro-rated based on the number of local areas who fail to reach a local agreement.

Colorado will calculate the pro-rated amounts using the percentage of Title I-B and Title III funds received by a local area as the determining factor, as outlined in Attachment 3.

F. MONITORING OF 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 those entities to establish the necessary financial transfers.

G. TIMELINE AND KEY DATES

Infrastructure costs contributions are intended by the WIOA law and the final regulations to be agreed upon locally by the WDB and partners. Local areas must reach an agreement with all partners by October 1, 2017 on the infrastructure
formula or they will be subject to the statewide formula. Notice must be sent by each WDB to their CDLE Regional Liaison by October 1, 2017 indicating if a local agreement has been reached or not. The Infrastructure Funding Agreements (IFA’s) must be included as part of partner MOUs effective January 1, 2018.

VII. IMPLEMENTATION DATE:

Immediately upon receipt.

VIII. INQUIRIES:

Please direct all inquiries to Colorado Workforce Development Council staff: cwdc@state.co.us.

Stephanie Veck, Director
Colorado Workforce Development Council

5/2/17

Attachment 1: State Formula Steps
Attachment 2: Program Caps
Attachment 3: Statewide Formula Determining Factor