California Phase II Memorandums of Understanding Questions and Answers

http://www.edd.ca.gov/Jobs_and_Training/WIOA_FAQs.htm

1. Do affiliate America's Job Center of California^{SM} (AJCC) locations also need to have infrastructure fund cost sharing agreements?

Yes. The U.S. Department of Labor released Infrastructure Costs FAQs on December 27, 2016. These FAQs stated that affiliate AJCC locations must also negotiate infrastructure funding agreements (IFA) with colocated partners. However, due the lateness of this information, local partnerships can decide the appropriate schedule for also completing IFA agreements with affiliate or specialty AJCCs. Local Workforce Development Areas and local partners may decide to combine the affiliate and comprehensive centers into a network IFA and network other systems cost budget. Further state guidance regarding affiliate centers will be forthcoming.

2. If a local partner is using subcontractors or local subrecipients to provide access to their programs, how is colocation, signature authority, and payment responsibility determined

According to the WIOA Joint Final Rule Section 678.415, program responsibility lies with the grant recipient and any local administrative entities, but does not extend to local entity's subrecipients or subcontractors. This means it's the local administrative entity's responsibility to sign and negotiate the Memorandum of Understanding (MOU) and infrastructure funding agreement (IFA). This responsibility cannot be delegated to the local entity's subrecipient or subcontractor. If a subrecipient or subcontractor of the local entity has a physical presence in an America's Job Center of California^{SM} (AJCC) location then the local administrative entity is considered colocated and must pay its proportionate share of infrastructure costs. It is up to the local administrative entity and their subcontractor to determine how the proportionate share of the IFA is paid – either directly by the entity or by funds allocated to their subcontractor.

Example: Temporary Assistance for Needy Families (TANF) – In California, the TANF program is referred to as CalWORKs. CalWORKs uses county welfare departments (CWD) throughout the state as their local administrative entities. In local negotiations, the CWD will negotiate and sign the MOU. If the CWD has contracted with a service provider and that provider is colocated within the AJCC, TANF and the CWD are considered a colocated partner and must either directly pay the IFA proportionate share or direct their service provider to use their funds to pay the IFA proportionate share.

3. If the Local Workforce Development Board is seeking to move to a new America's Job Center of California℠ (AJCC) physical location during infrastructure funding agreement negotiations, should partners wait to negotiate and agree on cost sharing until the new location is selected?

No. The Local Workforce Development Board and its partners should continue negotiations and determine a cost allocation methodology that is agreeable to all partners regardless of the AJCC's ultimate location. Specific partner contributions will have to be determined after the selection of the new AJCC location but negotiations and agreement on an appropriate cost allocation methodology determinations should not be put on hold.

4. When a single entity operates more than one partner program can they collectively represent and pay in a lump sum?

Yes. If a partner operates multiple programs they have two negotiation options. They can either segment the various program's responsibilities as individual program parts of the Memorandum of Understanding, or they can represent all their programs as a whole, and make whatever internal determinations they need to make to finance the various parts as one lump sum. Under the latter option, the infrastructure funding agreement will show the entity (noting the partner programs under it) as the one obligated to share and pay.

Example: The Employment Development Department (EDD) may operate Title III Wagner-Peyser, Trade Adjustment Assistance Act, and Jobs for Veterans' State Grants programs within an America's Job Center of California℠ (AJCC) location and/or network. As the administrative entity for all of these programs, the EDD could negotiate, sign, and pay a lump sum for all of these partner programs that are located within that AJCC center and/or network. The EDD would then internally allocate individual program costs as determined appropriate.

5. When determining other system costs to provide basic and individualized career services, should non-colocated partners only include the funds made available under their authorizing federal statute? If they do not use any federal funds, or if they use other funds in addition to the federal funds to provide the career service, which do they report?

Partners, whether colocated or non-colocated, must include the funds received from their authorizing federal statute. They may choose to include any additional funds but it is not required. If the partner does not spend any federal funds, their budget would be reported as "$0.00" on the partner matrix for the *Required Consolidated Budget for the Delivery of Applicable Career Services*.

Example: A community college needs to only include its Carl Perkins funds when determining its cost to provide career services. All other funds are optional.

6. **How do partners who do not track the cost to provide basic and individualized career services determine their actual costs to provide these services?**

   If a partner does not have specific dollar amounts available, they may report a reasonable estimate. Partners will be deemed in compliance with this requirement as long they provide a reasonable dollar amount and can determine an estimated amount for the *Required Consolidated Budget for the Delivery of Applicable Career Services*.

7. **Are non-colocated partners required to participate in all of the shared costs of the other system costs budget?**

   No. The only required component of the other systems cost budget is the applicable career services and all partners, regardless of being colocated or non-colocated, are required to report that cost. Any additional shared costs are optional and will be determined by the Local Workforce Development Board (Local Board) and its partners. If a non-colocated partner can determine an allocable benefit from any other shared cost, they should participate in the cost sharing negotiations for that specific cost. All optional shared costs are at the discretion of the Local Board and its partners to determine and monitor; there is no state funding mechanism that will be triggered due to failed negotiations related to shared costs.

8. **Do non-colocated partners who submit their costs for applicable career services get locked into helping share costs in the other systems budget?**

   No. At this time, all partners are only required to submit either actual costs or a reasonable estimate of the costs for applicable career services either within the America's Job Center of California^{SM} location or network. The non-colocated partners are not required to participate in any other shared costs within the other system costs budget unless they determine that they receive a proportionate benefit from those shared services and costs.

9. **Can a colocated partner voluntarily pay for more than their proportionate share into the infrastructure budget (through using any of the allowable methods – cash, non-cash, and third party in-kind)?**

   No. Each partner must pay its proportionate share based on its use and benefit of the America's Job Center of California^{SM} location or network. In the WIOA Joint Final Rule's preamble, page 55912, the Departments state that each program may contribute only an amount that does not exceed its proportionate share in accordance with the Uniform Guidance set forth in part 200 and an agreed-upon cost allocation methodology developed by the one-stop partners. As the WIOA Joint Final Rules and Uniform Guidance are only applicable to federal funding, it is important to note that if a partner has non-federal funding available, they may use those funds to pay above their proportionate share, if it is allowable under the respective funding authority.

10. If a partner currently owns a building or holds a lease that houses an America's Job Center of California℠ (AJCC) location, is it allowed to count the value of that building/lease toward its proportionate share of the infrastructure funding agreement or is that considered an in-kind contribution that gets applied to the budget prior to the cost allocation methodology being applied?

Yes. If a *partner* provides AJCC space, they may apply the value of this space toward their proportionate share of infrastructure funding agreement costs. However, if a third-party, *non-partner* entity provides the space, no individual partner can count the value toward its proportionate share. In the latter scenario, the value is applied to the budget prior to cost allocation methodology being applied, lowering the proportionate share for all partners.

11. When is the Unemployment Insurance (UI) Program a colocated partner?

Colocation is determined by having a physical presence. Only when a staff member whose salary is paid by the UI program is physically located in the America's Job Center of California℠ location on either a full-time or part-time basis are they considered a colocated partner; a dedicated phone line to a UI call center does not establish colocation.

12. When is the Senior Community Services Employment Program (SCSEP) a colocated partner?

The SCSEP is a colocated partner when there is program personnel that administers the program working in the America's Job Center of California℠ (AJCC) location on either a full-time or part-time basis. If an AJCC hosts a SCSEP program participant, it does not mean that the SCSEP partner is colocated.

Example: An AJCC has an SCSEP work experience participant who serves the AJCC as a part time receptionist but there are no SCSEP personnel who administer the program within the AJCC. The participant would not be considered as program personnel and the program would not be a colocated partner.

13. What is the definition of an intermittent partner?

An intermittent partner is one who may have an occasional physical presence in the center but does not have a dedicated workspace that is not also used by other partners. If the cost allocation methodology allows for a proportionate benefit to be determined for intermittent partners, they may be included in the infrastructure funding agreement.