

Infrastructure Funding Agreement

Background and Purpose

Workforce Innovation and Opportunity Act (WIOA) sec.121(c)(1) requires the Local Workforce Development Board (LWDB), with the agreement of the Chief Elected Official (CEO) to develop and enter into a Memorandum of Understanding (MOU) between the LWDB and the ARIZONA@WORK partners, consistent with WIOA Sec. 121(c)(2), concerning the operation of the ARIZONA@WORK system in a Local Workforce Development Area (LWDA).

Additionally, under WIOA and its implementing regulations and consistent with the Uniform Guidance, funding provided by the ARIZONA@WORK partners to cover the operating costs, including infrastructure costs of the ARIZONA@WORK system must be based upon the partner program's proportionate use of the system and relative benefit received.

The operating budget of the ARIZONA@WORK Job Centers, including the infrastructure costs, is the financial plan to which the ARIZONA@WORK partners, Chief Elected Official (CEO) and the LWDB in each LWDA have agreed to in the MOU, that will be used to achieve their goals of delivering services in a LWDA.

The ARIZONA@WORK operating budget is the master budget that contains a set of components identifying costs related to the ARIZONA@WORK system – infrastructure costs and other additional costs which must include applicable career services and may include other shared operating costs (with the exclusion of the infrastructure costs).

The purpose of this policy is to provide guidance for developing the Infrastructure Funding Agreement (IFA) at the local level, and to recommend appropriate cost allocation methodologies for IFA budget line items.

Elements of an IFA at the Local Level

The IFA is a component of the Memorandum of Understanding (MOU) and must contain the following elements:

- The period of time the IFA is in effect;
- Identification of all ARIZONA@WORK partners, CEOs, and LWDB participating in the IFA;
- Only includes non-personnel costs necessary for the general operation of the ARIZONA@WORK Job Center;
- The infrastructure and shared services budget, must be periodically reconciled against actuals to ensure that partner programs are paying their fair share;
- Identify the cost allocation bases used to distribute costs;
- Determine estimated partner contributions;
- Allocate costs by each partner's proportionate use and relative benefit received from ARIZONA@WORK system; and

- Resolution procedure when a consensus cannot be reached.

Identification of ARIZONA@WORK Partner Programs

1. Identification Requirements

The LWDB is to identify whether the ARIZONA@WORK partner program serves the LWDA, and if so, identify the point of contact for the ARIZONA@WORK partner program. The point of contact information shall include the following:

- Contact's name;
- Contact's title;
- Partner program's office address;
- Contact's phone number; and the
- Contact's email address.

2. Required ARIZONA@WORK Partner Programs

WIOA sec .121(b)(1)(B), 20 CFR 678.400 require the following programs to be ARIZONA@WORK partners:

U.S. Department of Labor

- WIOA Title I-B – Adult, Dislocated Worker and Youth programs
- Job Corps
- YouthBuild
- Native American programs
- Migrant and Seasonal Farmworkers programs
- State Unemployment Insurance (UI)
- Title III Wagner-Peyser Act Employment Service program
 - Senior Community Service Employment Program (SCSEP) under Title V of Older Americans Act of 1965
 - Trade Adjustment Assistance (TAA) activities, under Title II of Trade Act
- Jobs for Veterans State Grants programs (Vets) under Title 38, U.S.C.

U.S. Department of Education

- Title II Adult Education and Family Literacy Act (AEFLA) program
- Title IV Vocational Rehabilitation (VR) program
- Career and Technical Education programs at the postsecondary level (CTE) under Perkins Career & Technical Education Act

U.S. Department of Housing and Urban Development

- Employment and Training programs

U.S. Department of Justice

- Programs authorized under Section 212 of the Second Chance Act of 2007

U.S. Department of Health and Human Services

- Community Services Block Grant (CSBG) employment and training activities
- TANF (currently opted out)

3. Optional ARIZONA@WORK Partner Programs

WIOA sec. 121(b)(2)(B) and 20 CFR 678.410 identify additional ARIZONA@WORK partners that may be included with the approval of the LWDB and the CEO.

Identification of Comprehensive and Affiliate ARIZONA@WORK Job Centers Locations

The IFA must identify all comprehensive and affiliate ARIZONA@WORK Job Center and in the LWDA and identify the ARIZONA@WORK partner programs that provide services in those locations.

Cost Identification

1. Infrastructure Costs

The annual line item budgets of each ARIZONA@WORK Job Center's infrastructure costs are to be created after identification of ARIZONA@WORK partner programs operating in each location. Infrastructure costs are non-personnel costs necessary for the general operation of the sites such as:

- Rental of the facilities;
- Utilities and maintenance;
- Equipment, including assessment-related products and assistive technology for individuals with disabilities;
- Technology to facilitate access to the ARIZONA@WORK Job Center, including technology used for the center's planning and outreach activities; and
- Costs of the common identifier may also be included.

2. Additional Costs and Shared costs

ARIZONA@WORK partners must share in additional costs, which must include applicable career services and may include other shared operating costs and shared services necessary for the general operation of the ARIZONA@WORK Job Center.

These may include the following:

- Initial intake;
- Assessment of needs;
- Appraisal of basic skills;
- Identification of services to meet needs;
- Referrals to other ARIZONA@WORK partners; and
- Business services.

Personnel expenses associated with a shared welcome desk or greeter, or office manager, and a portion of the costs of the LWDB staff who supports the general operations of the ARIZONA@WORK Job Center may also be included in additional costs. As with all costs related to the operations of the ARIZONA@WORK system, these shared operating costs must be proportionate to the use of the ARIZONA@WORK partner program and consistent with the cost principles of the Uniform Guidance at 2 CFR 200.

3. Reconciliation of budget line items with Actual costs

ARIZONA@WORK partner program contributions must be reviewed and reconciled against actual costs on an agreed upon cadence which is at least annually to ensure that each partner program is paying its fair share per the federal cost principles.

Cost Allocation Methodologies

LWDBs and ARIZONA@WORK partner agencies may choose from any number of allocation bases, provided they are consistent with WIOA, its implementing regulations and the Uniform Guidance, including the federal cost principles. The cost allocation methodologies agreed to must be included in the IFA.

ARIZONA@WORK Partners must consider these general criteria in selecting a cost allocation base:

- Identify methodologies that most effectively allocate costs based upon proportionate use and relative benefit received by the ARIZONA@WORK partners;
- Consider the additional effort and expense required to achieve a greater degree of accuracy;
- Allocation base used to allocate a particular type of cost must be used consistently over time;
- Adhere to the ARIZONA@WORK partner program's federal authorizing statute; and
- Allocation base that best fits the organizational structure must be agreed to by all partner program.

Types of ARIZONA@WORK Partner Contributions

Cash Contributions – Funds provided to the LWDB or its designee by ARIZONA@WORK partners either directly or through an interagency transfer

Non-Cash Contributions – A part of a partner program’s fair share of the ARIZONA@WORK Job Centers costs are paid for by goods or equipment. The value of the non-cash contributions must be consistent with 2 CFR 200.306 and reconciled on a regular basis to ensure they are fairly evaluated and meet the partners’ proportionate share.

Third Party In-Kind Contributions – contributions of space, equipment, technology and other non-personnel services by a non-partner to support the infrastructure costs of a ARIZONA@WORK Job Center. These must be valued at the fair market value and reconciled on a regular basis.

Process for ARIZONA@WORK Partner Payments - IFA cash payments and receivables will be made on a quarterly basis within 45 days after the end of a quarter and will be based upon actual costs. Please submit all invoices and inquiries related to the IFA payables and receivables to the dedicated inbox at DERSSWorkforceCoLocation@azdes.gov

Invoices not submitted to the above inbox may not get processed in a timely manner.

Cost Allocation Bases

The table below has a list of sample cost categories in the operating budget within the IFA and recommendations of cost allocation methodologies.

Infrastructure Costs	
Budget Line Item	Possible Allocation Bases
Facilities related - rent, utilities, tenant improvements, janitorial, pest control and security	Square footage (including common areas such as rest rooms, break rooms, hallways, front desk, but excluding the resource room) Dedicated space based upon square footage occupied by each partner program as compared to total dedicated space. Costs related to common space may be calculated proportionate to the dedicated space occupied by each partner program
Resource room - space, shared equipment, computers	Participants enrolled in each program that use the resource room
Telecommunications	FTE count for each partner program
Information Technology and Shared equipment - copiers, internet access, software	FTE count for each partner program
Common Supplies and Intake system	Participant count or FTE
Assistive technology and Assessment related products	Participant count
Outreach and common identifier costs	Participant count
Additional Costs	
One-stop center management staff	FTE /Participant count for each partner program

Career Services	Participant count
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References: Workforce Innovation and Opportunity Act (WIOA) of 2013, (P.L. 113-128);

WIOA Final Rules 20 CFR 678; Department of Labor Training and Employment Guidance

Letter (TEGL) No. 17-16; 2 CFR 200; 2 CFR 2900