



**POLICY
NUMBER
106**

Administrative Policy

Title:	Memorandums of Understanding and Infrastructure Funding Agreements
Program:	Workforce Innovation and Opportunity Act
Effective:	02/20/2020

I. PURPOSE AND SCOPE

The purpose of this policy is to provide local workforce development boards (LWDBs) with the requirements and procedures for developing Memorandums of Understanding (MOU) and Infrastructure Funding Agreements (IFA) under the Workforce Innovation and Opportunity Act (WIOA).

II. BACKGROUND

The U.S. Department of Labor developed a uniform policy for acceptable methods of cost allocation and resource sharing with respect to funding the one-stop delivery system.

Under WIOA and consistent with the Uniform Guidance, funding provided by the one-stop partners to cover the operating costs, including infrastructure costs and additional costs, of the one-stop delivery system must be based on the partner program's proportionate use of the system and relative benefit received. WIOA requires LWDBs, with the agreement of the chief elected official, to develop and execute MOUs with required partners on the operation of the one-stop delivery system in the local service delivery area. Each LWDB must include an IFA in the MOU with required partners. The IFA details how infrastructure costs for the one-stop delivery system will be funded in the local area.

Local workforce development boards and career centers are expected to act in good faith and negotiate infrastructure costs and additional costs of operating a local one-stop delivery system in a transparent manner.

III. AUTHORITY

Public Law 113-128, Workforce Innovation and Opportunity Act, [Section 121\(C\)](#), [Section 121\(h\)\(1\)\(B\)\(i\)](#) and [121\(h\)\(2\)\(C\)\(i\)](#)

[2 Code of Federal Regulations \(CFR\) Part 200](#) Federal Cost Principles

[20 CFR 678.400](#) Required One-Stop Partners

[20 CFR 678 Subpart C](#) Memorandum of Understanding for One-Stop Delivery System

[20 CFR. 678.700 - 678.760 Subpart E](#) One-Stop Operating Costs

[20 CFR 678.800](#) One-Stop Certification

[34 CFR 361.500](#) What is the Memorandum of Understanding for the one-stop delivery system and what must be included in the Memorandum of Understanding?

[34 CFR 463.700](#) What are one-stop infrastructure costs?

Training and Employment Guidance Letter ([TEGL No. 16-16](#)); ([TEGL No. 16-16, Change 1](#)) and ([TEGL No. 17-16](#))

Section [445.009\(2\)\(c\)](#), Florida Statutes

IV. POLICIES AND PROCEDURES

A. The Memorandum of Understanding

Each LWDB is required by the Workforce Innovation and Opportunity Act (WIOA), to enter into a Memorandum of Understanding (MOU) with its required one-stop partners. The MOU is an agreement that details the operations of the local one-stop delivery system, provision of programs and services, and apportionment of costs.

The LWDB has the option of entering into an umbrella MOU that addresses the issues relating to the one-stop delivery system for the LWDB, chief elected official and all partners. Alternatively, the LWDB with agreement of chief elected official, may enter into separate agreements between each partner or groups of partners.

1. The Required Partners

The LWDB must execute an agreement with the required partners. The required partners are:

- a. Programs authorized under title I of WIOA include:

- i. Adults
 - ii. Dislocated workers
 - iii. Youth
 - iv. Job Corps
 - v. YouthBuild
 - vi. Native American programs
 - vii. Migrant and seasonal farmworker programs
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- b. Wagner-Peyser Act Employment Service, as amended by WIOA Title III
 - c. Adult Education and Family Literacy Act
 - d. Division of Vocational Rehabilitation
 - e. Division of Blind Services
 - f. Senior Community Service Employment Program
 - g. Career and technical education programs at the postsecondary level authorized under the Strengthening Career and Technical Education for the 21st Century Act (Perkins V)
 - h. Trade Adjustment Assistance activities authorized under chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.)
 - i. Jobs for Veterans State Grants Programs
 - j. Employment and training activities carried out under the Community Services Block Grant
 - k. Employment and training activities carried out by the Department of Housing and Urban Development
 - l. Programs authorized under State unemployment compensation laws
 - m. Programs authorized under sec. 212 of the Second Chance Act of 2007
 - n. Temporary Assistance for Needy Families (TANF)

Pursuant to WIOA Sec. 121(b)(2)(B) and 20 CFR 678.410, 34 CFR 361.410, and 34 CFR 463.410, additional one-stop partners may be included with the approval of the LWDB and chief elected official based on needs of the local area. The LWDB must enter into a MOU with those partners to confirm the manner in which services will be offered.

2. **Negotiating the MOU**

LWDBs must work with one-stop partners to negotiate the terms of MOUs. In each MOU, LWDBs must establish how they will fund the infrastructure costs and other shared costs of the one-stop career centers. The LWDB and partners must document the negotiations and efforts that have taken place in the MOU.

If an agreement regarding infrastructure costs is not reached upon completion of the MOU, pursuant to 20 CFR 678.715(c) an interim infrastructure funding agreement may be included for a period of up to six months. Once an infrastructure

funding agreement is reached, the LWDB and one-stop partners must amend the MOU to include the infrastructure funding agreement.

3. Requirements of the MOU

LWDBs must ensure each MOU includes the following requirements:

- a. A description of services that will be provided through the one-stop delivery system. This must also include the way the services will be coordinated and delivered through the one-stop delivery system.
- b. Agreement between the LWDB and partners on funding the costs of the services and the operating costs of the system, including:
 - i. Funding of infrastructure costs of one-stop centers pursuant to 20 CFR 678.700 through 678.755.
 - ii. Funding of the shared services and operating costs of the one-stop delivery system pursuant to 20 CFR 678.760.
- c. Methods for referring individuals to either the one-stop operators or partners for appropriate services and activities.
- d. Methods to ensure the needs of workers, youth and individuals with barriers to employment, including individuals with disabilities, are addressed when providing access to services. Access may be provided to technology and materials that are available through the one-stop delivery system.
- e. The duration of the MOU and procedures for amending it.
- f. Assurances that the MOU will be reviewed and renewed, not less than once every three years, to ensure appropriate funding and delivery of services. Additionally, the MOU must be renewed if substantial changes occur prior to the three-year renewal period.
- g. The signatures of the chairperson of the LWDB, one-stop partners, the chief elected official(s), and the time period in which the agreement is effective. The MOU must be updated not less than every three (3) years to reflect any changes in the signatory official of the board, one-stop partners, and chief elected officials, or one-stop infrastructure funding. The MOU will not be considered executed without the signature of all parties.
- h. Any other provisions agreed to by the LWDB and partners. The provisions must be consistent with WIOA title I, the authorizing statutes and regulations of one-stop partner programs, and the WIOA regulations.
- i. An infrastructure funding agreement. The requirements related to infrastructure funding are outlined in section B of this policy.

B. Infrastructure Funding Agreements

Infrastructure Funding Agreements (IFAs) are a mandatory component of the local MOU. A LWDB may negotiate an umbrella IFA for all of its career centers or an individual IFA with each of its career centers. LWDBs must ensure the IFA contains an infrastructure costs budget. The other component of the operating budget consists

of additional costs, which include applicable career services, and may include shared operating costs and shared services.

Local workforce development boards, career center partners and chief elected officials may negotiate the IFA, along with additional costs, when developing the operating budget for the local area. Pursuant to 20 CFR 678.755(b), the operating shared services budget must be included in the MOU. LWDBs must contribute toward infrastructure costs based on the proportionate use of the career centers and relative benefits received. All required and additional partners must contribute to infrastructure costs of the comprehensive career centers.

LWDBs must include the following elements within IFAs:

1. The period of time in which this infrastructure funding agreement is effective. This may be a different time period than the duration of the MOU.
2. Identification of an infrastructure and shared services budget that will be periodically reconciled against actual costs incurred and adjusted accordingly to ensure that it reflects a cost allocation methodology that demonstrates how infrastructure costs are charged to each partner in proportion to its use of the one-stop center and relative benefit received, and that complies with 2 CFR part 200 (or any corresponding similar regulation or ruling).
3. Identification of all one-stop partners, chief elected officials and LWDB participating in the infrastructure funding arrangement.
4. Steps the LWDB, chief elected officials and one-stop partners used to reach consensus or an assurance that the local area followed the guidance for the state funding process.
5. Description of the process to be used among partners to resolve issues during the MOU duration period when consensus cannot be reached.
6. Description of the periodic modification and review process to ensure equitable benefit among one-stop partners.
7. Signatures of individuals with authority to bind the signatories to an IFA, including all partners, chief elected officials and LWDBs participating in an IFA.

C. Allocation of Infrastructure Costs Process

To allocate infrastructure costs, LWDBs must:

- a. Identify one-stop career center operating costs, including infrastructure costs and additional costs.
- b. Develop the operating budget that includes an infrastructure costs budget and additional costs budget.
- c. Develop the cost allocation methodology, including the identification of cost pools and allocation bases.
- d. Determine estimated partner contributions.
- e. Prepare and agree to the IFAs.

- f. Allocate actual costs by each partner's proportionate use and relative benefit received.
- g. Conduct a periodic reconciliation (i.e., monthly or quarterly).
- h. Modify infrastructure costs budget and/or cost allocation methodology, as appropriate.
- i. Evaluate the existing process and prepare for the following program year.

The infrastructure funding mechanisms are subject to review by federal administering agencies and partners to ensure compliance with applicable requirements. LWDBs will use federal guidelines, this policy and tools supplied to work with all partners to determine and agree upon infrastructure funding.

D. Resolution of Issues in Memorandums of Understanding and/or Infrastructure Funding Agreements:

If a LWDB is unable to execute MOUs or agree on infrastructure costs with required partners, all parties shall attempt to resolve the issue in a timely and efficient manner. If resolved no further action is necessary.

If issues regarding MOUs and/or IFAs remain unresolved, LWDBs shall document the issue and efforts at resolution. Documentation is forwarded to the Department of Economic Opportunity, Division of Workforce Services (DEO) and the Chancellor for Career and Adult Education, the Director of the Division of Vocational Rehabilitation, the Director of the Division of Blind Services or the executive administrator(s) of agencies responsible for administering the partner's program. DEO and the appropriate division will work to resolve the impasse and secure an executed agreement. A joint decision shall be transmitted within 30 calendar days of receipt.

Issues will be remanded back to the local partners to execute recommended action. If issues remain unresolved, the LWDB must notify CareerSource Florida and include the details of the impasse. CareerSource Florida will work with the Commissioner of Education, the Executive Director of the Department of Economic Opportunity or other agency heads to resolve the impasse and provide a resolution response to the all parties. Decisions are considered final.

If recommended action or required resolution is not implemented, the State Funding Mechanism (SFM) will be initiated.

E. Funding Mechanism Requirements

Under the Local Funding Mechanism (LFM), one-stop career center partners may determine what funds they will use to pay for infrastructure costs. There are no specific caps on the amount or percentage of overall funding a partner may contribute to fund infrastructure costs under the LFM, except that contributions for administrative costs may not exceed the amount available for administrative costs. LFM provide LWDBs

and partners the flexibility to design and fund a one-stop delivery system through a consensus, to meet the needs of their local area by leveraging the funds and resources available to provide program services. The intent of the LFM is to encourage local areas to reach a consensus in developing a local IFA.

After all local MOU and IFA negotiation options have been exhausted, even when only one required partner is unable to come to agreement, the SFM is triggered.

The CareerSource Florida Board of Directors, represented by its CareerSource Florida staff, consults with the Governor regarding the funding of infrastructure costs and is responsible for the development of the formula used by the Governor under the SFM to determine a one-stop career center's budget.

Under the SFM, the LWDB is required to calculate the statewide funding caps and the amount available for local areas that have not reached consensus and to determine the partners' contributions for infrastructure. The statewide caps are calculated by considering total funding for a partner against the statutory caps specified in WIOA for infrastructure costs. The SFM is only applicable to required partners and cannot be triggered by additional partners not reaching a consensus.

If the SFM is triggered:

Local workforce development boards must provide a notice they are unable to reach a consensus on infrastructure funding to the Governor, CareerSource Florida and the Department of Economic Opportunity. Notification must be provided by the specific date established in DEO's guidance on infrastructure funding.

The SFM requires complex calculations and determinations and seek the guidance of multiple parties. Reaching consensus on IFAs must be completed by the LWDBs no later than March 30, prior to the beginning of the subsequent program year beginning July 1.

Local workforce development boards must provide local negotiation materials to the Department of Economic Opportunity. The following steps will be executed:

1. Determine one-stop career center infrastructure budget(s);
2. Establish cost allocation methodology;
3. Determine partners' proportionate shares;
4. Calculate statewide caps;
5. Assess the aggregate total of infrastructure contributions as it relates to the statewide cap; and
6. Adjust proportionate shares.

F. Infrastructure Funding Appeals Process

Local workforce development boards and partners may appeal the state funding mechanism and determination of shared infrastructure costs. The appeal may be founded on the basis that the determination is inconsistent with proportionate share requirements, the cost contribution limitations or the cost contribution caps consistent with the process described in the state plan.

Appeals must be sent within 21 days from the LWDB’s receipt of the state’s determination on shared infrastructure costs. Appeals must be filed in writing with the President and CEO of CareerSource Florida. Decisions on appeals will be documented in writing and considered final.

G. State and Local Monitoring

The Department of Economic Opportunity will monitor the requirements outlined in this policy.

V. DEFINITIONS

1. **Infrastructure Costs** – Non-personnel costs that are necessary for the general operation of the one-stop career center, including: rental of the facilities; utilities and maintenance; equipment (including assessment-related and assistive technology for individuals with disabilities); and technology to facilitate access to the career center, including technology used for the center’s planning and outreach activities.
2. **Local Funding Mechanism (LFM)** – A process where the LWDBs, chief elected official(s) and career center partners negotiate and agree to the amounts that each partner will contribute for one-stop infrastructure funding, and the methods of calculating the amounts to include the infrastructure funding terms in the MOU as an IFA, and to sign the MOU and accompanying IFA.
3. **State Funding Mechanism (SFM)** – A process triggered if the career center partners cannot agree on infrastructure contributions under the LFM. The Governor conducts a structured process for determining the final infrastructure funding if all options to agree on a locally negotiated infrastructure funding agreement have been exhausted. SFM only applies to infrastructure costs, not additional shared costs. SFM does not apply to non-required partners.

VI. REVISION HISTORY

Date	Description
02/20/2020	Approved by CareerSource Florida Board of Directors.
02/20/2020	Issued by the Florida Department of Economic Opportunity. This administrative policy supersedes and replaces AWI FG 00-001,

	Procedures for Developing Memorandums of Understanding Under the Workforce Investment Act of 1998 and the Workforce Florida Act of 1996 as Amended, issued on 05/17/1999.
	This administrative policy aligns with Section III(b)(2) and Section VI(a)(1)(d) of the State of Florida Workforce Innovation and Opportunity Act Unified Plan.
	Under the Workforce Investment Act of 1998 (WIA), costs that were shared among partners, including infrastructure costs, were outlined and funded through Resource Sharing Agreements between local boards and one-stop partners. The U.S. Department of Labor developed a uniform policy on acceptable methodologies for cost allocation and resource sharing with respect to funding the one-stop delivery system. The funding arrangements were incorporated into a Memorandum of Understanding (MOU).

VII. ATTACHMENTS

Florida WIOA [Unified State Plan](#)

VIII. RESOURCES

[Sample MOU and Infrastructure Costs Toolkit](#)

FAQs: [Infrastructure Funding Guidance](#)

[State of Florida IFA Template](#)