



POLICIES AND PROCEDURES

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| TITLE: ADM08 MOU and IFA Development | EFFECTIVE DATE: 11/01/2024 | |
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DISTRIBUTION:

CareerSource North Central Florida (CSNCFL) Staff

PURPOSE:

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). *This Policy is established in accordance with the CareerSource Florida State and Local Workforce Boards Memorandums of Understanding and Infrastructure Funding Agreements Policy*

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.

POLICY:

Memorandum of Understanding

CSNCFL 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.

Required Partners

CSNCFL 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 (internal program)
- 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.) (internal program)
- I. Jobs for Veterans State Grants Programs (internal program)
- 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 (internal program)
- M. Programs authorized under sec. 212 of the Second Chance Act of 2007
- N. Temporary Assistance for Needy Families (TANF) (internal program)

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 CSNCFL and chief elected officials based on needs of the local area. CSNCFL must enter into a MOU with those partners to confirm the manner in which services will be offered.

Negotiating the MOU

CSNCFL must work with one-stop partners to negotiate the terms of MOUs. In each MOU, CSNCFL must establish how they will fund the infrastructure costs and other shared costs of the one-stop career centers. CSNCFL 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, CSNCFL and one-stop partners must amend the MOU to include the infrastructure funding agreement.

Requirements of the MOU

CSNCFL 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 CSNCFL 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 CSNCFL, 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 CSNCFL 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.

Infrastructure Funding Agreements

Infrastructure Funding Agreements (IFAs) are a mandatory component of the local MOU. CSNCFL may negotiate an umbrella IFA for all of its career centers or an individual IFA with each of its career centers. CSNCFL 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. CSNCFL, 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. CSNCFL 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.

CSNCFL 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 CSNCFL, 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.

Allocation of Infrastructure Costs Process

To allocate infrastructure costs, CSNCFL 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. CSNCFL will use federal guidelines, this policy and tools supplied to work with all partners to determine and agree upon infrastructure funding.

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

If CSNCFL 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, CSNCFL shall document the issue and efforts at resolution. Documentation is forwarded to Florida Commerce, Division of Workforce Services 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. Florida Commerce 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, CSNCFL must notify CareerSource Florida and include the details of the impasse. CareerSource Florida will work with the Commissioner of Education, the Executive Director of Florida Commerce or other agency heads to resolve the impasse and provide a resolution response to all parties. Decisions are considered final.

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

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 provides CSNCFL 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, CSNCFL 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:

CSNCFL must provide a notice they are unable to reach a consensus on infrastructure funding to the Governor, CareerSource Florida and Florida Commerce. Notification must be provided by the specific date established in Florida Commerce'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 CSNCFL no later than March 31, prior to the beginning of the subsequent program year beginning July 1.

CSNCFL must provide local negotiation materials to Florida Commerce. 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;
6. Adjust proportionate shares.

Infrastructure Funding Appeals Process

CSNCFL 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 CSNCFL'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.

State and Local Monitoring

Florida Commerce will monitor the requirements outlined in this policy. CSNCFL will provide internal monitoring of this policy through its contracted third-party monitor.

OFFICIAL SIGNATURE

PHYLLIS MARTY
Chief Executive Officer