

To: Minnesota Association of Workforce Boards, Local Workforce Development Boards, DEED Workforce System Program Directors

From: Minnesota Department of Employment and Economic Development CareerForce Division

11/13/2020

### Supplemental Guidance on Infrastructure Funding Agreement Contributions

Due to a recent Federal Department of Labor finding from a monitoring of Minnesota's one-stop system the Department of Employment and Economic Development (DEED) requires that all of the state's Infrastructure Funding Agreements (IFAs) be re-negotiated and submitted to DEED for approval by the end of December, 2020.

The primary shortcoming of Minnesota's IFAs has been a lack of required one-stop partner contributions since the implementation of WIOA. Obtaining all required one-stop partner contributions in a condensed timeframe necessitates supplemental guidance from the State to local boards and their representatives because of the general lack of existing partnerships in which contributions have been made in the past from all required one-stop partners. This guidance attempts to address this need.

The State advises to immediately schedule meetings with representatives from all required one-stop partners in your area to negotiate IFAs. Utilize this guidance, the State's IFA policy, the PowerPoint presentation on IFAs provided by DEED in the first week of November 2020, DEED's optional IFA template, and DEED contacts to proceed with completing your IFAs.

### What needs to happen for IFAs to be compliant?

The following programs are required one-stop partner programs and must contribute towards one-stop center operating costs in your Local Workforce Development Area (LWDA or area) if they operate within your area-

- WIOA Title I - Adult, Dislocated Worker, Youth and YouthBuild, Job Corps, and Migrant and seasonal farmworker programs.
- WIOA Title II – Adult Education and Family Literacy
- WIOA Title III – Wagner-Peyser
- WIOA Title IV – Vocational Rehabilitation Services/State Services for the Blind
- OAA, (Older Americans Act) Title V – SCSEP (Senior Community Service Employment Program)
- Supplemental Nutrition Assistance Program E&T
- Career & Technical Education Programs (post-secondary)
- Trade Adjustment Assistance
- Jobs for Veterans State Grants
- Community Services Block Grant E&T
- Housing & Urban Development E&T

- Unemployment Compensation
- Second Chance Act Grants
- Temporary Assistance for Needy Families (MFIP)

Negotiations to come to agreement on IFAs in your LWDA must take place involving all required one-stop partners operating in your area. Records of these negotiations should be kept, specifically including details around any points of contention and possible solutions raised during negotiations. The purpose of keeping records of these negotiations is to provide the State with ample information should IFAs fail to be agreed-upon and the State Funding Mechanism be triggered. Details on the State Funding Mechanism can be found in [DEED's IFA policy](#). Please note there is a new draft IFA policy in the process of approval, but everything about the State Funding Mechanism remains the same from the current policy to the new draft policy.

Consulting the State's provided optional IFA template is a good first step to seeing what information must be provided in an IFA if you choose to construct your own IFA. In summary, contributions towards the operating costs of the CareerForce Centers in your area must be made by all required one-stop partners if they operate in your area.

There are two generalized types of one-stop operating costs defined by law, guidance, and regulation- "infrastructure" costs and "additional" costs. Contributions towards "infrastructure costs," (non-personnel costs such as rent, internet, websites, printers), of your one-stop centers should be made if the required one-stop partner benefits from the infrastructure. "Benefit" is defined in federal guidance loosely but boils down to if the required one-stop partner's clientele or prospective clientele utilizes the infrastructure of the CareerForce System in your area. All contributions must be a product of local negotiation, though, so if, for example, a required one-stop partner benefits from a website by gaining some traffic incoming to their program from the website but they prefer not to contribute to its cost then, as long as local program representatives agree during negotiations, they do not have to contribute to its cost as long as they are contributing in some other fashion.

Contributions towards "additional costs," (one-stop center personnel costs such as basic career services, initial assessment and intake work, or reception work), must be made by all required one-stop partners. "Additional cost" contributions can be made directly towards CFCs and their personnel costs in providing basic career services. Contributions can also be made by indicating existing basic career services one-stop partners may already be providing at locations other than the CFCs that can be considered an additional cost of operating the CFC. For example, if a required one-stop partner who isn't located at the local CFC provides initial intake work for a program run at the local CareerForce Center then refers clientele to the CFC this can be considered an "in-kind" or "non-cash" contribution of staff time to the basic career services cost of the CFC.

Further clarification and detail can be found within [TEGL 17-16](#) and also by contacting DEED for assistance.

## What types of contributions can be made by required one-stop partners?

Cash	Non-Cash	Third-Party In-Kind
<ul style="list-style-type: none"><li>• Cash funds provided to the local board or its designee by one-stop partners, either directly or by an interagency transfer, or by a third party.</li></ul>	<ul style="list-style-type: none"><li>• Expenditures incurred by one-stop partners on behalf of the one-stop center; and</li><li>• Non-cash contributions or goods or services contributed by a partner program and used by the one-stop center.</li></ul>	<ul style="list-style-type: none"><li>• Contributions of space, equipment, technology, non-personnel services, or other like items to support the infrastructure costs associated with one-stop operations, by a non-one-stop partner to:<ul style="list-style-type: none"><li>• Support the one-stop center in general; or</li><li>• Support the proportionate share of one-stop infrastructure costs of a specific partner.</li></ul></li></ul>

## How can you arrive at an agreed-upon amount of contribution per partner?

One-stop operating costs partners are contributing towards must be “reasonable, necessary, allowable, and allocable.” For example, contributing towards the cost of reception staff at a CFC is reasonable, it’s necessary for the operations of the CFC, the cost is allowable, and the cost is allocable as an estimation of the cost is easily discernable. An example of a cost that wouldn’t be allowable for partners to contribute towards would be free coffee for all customers of a CFC since it is not necessary. Another example of a non-allowable cost would be top-of-the-line massage chairs for a career lab since it is neither a reasonable nor necessary cost.

All contributions must be supported by an agreed-upon methodology for the amount of the contribution. For example, a possible methodology for determining the amount of contribution towards reception staff time at a CFC would be to estimate the number of referrals to and from the CFC to the required one-stop partner making the contribution. Federal guidance does not specify exact examples of methodologies to be used, and instead relies heavily upon local negotiations to arrive at mutually acceptable decisions among partners. From [TEGL 17-16](#) – “The specific methodologies used to allocate costs among the one-stop partners are not prescribed in WIOA, its implementing regulations, the Uniform Guidance, or in this joint policy guidance.”

Further examples of acceptable contributions and methodology:

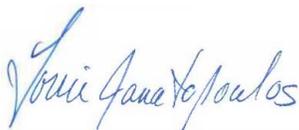
- A grantee receives funds from Housing and Urban Development through the Community Development Block Grant and in turn uses those funds to provide employment and training services. The grantee occasionally, almost quarterly, uses a workshop room at the local CFC to conduct training activities relate to their program. The local CFC has been letting this grantee use the workshop room for free, but now with the new IFA requirements must obtain a contribution from this grantee towards the operating costs of the CFC. During IFA negotiations, the grantee agrees to an annual cash contribution equivalent to the cost of the rent of the workshop room for four days. Also, because a contribution to the “additional costs” of the CFC operations must be made, it is agreed

upon during negotiations that the grantee will ensure their staff will be available in the reception and career lab space for an hour prior to every workshop to provide initial program assessment services for the grantee's program. The indicated methodology for this contribution will be recorded as "workshop room usage data was used to arrive at an estimated annual space cost of utilizing the workshop room; agreed-upon contribution of basic career services per frequency of workshops at CFC."

- A Second Chance Act grantee has an office separate from the local CFC. Referrals are not tracked to or from the CFC nor are any basic career services related to programs operated at the CFC performed at the Second Chance Act office. Since a contribution must be made towards the operating costs of the CFC, and specifically an "additional costs" contribution must be made, it is agreed upon during IFA negotiations that the Second Chance Act grantee will dedicate a staff member to the CFC's reception and career lab area once a month to provide basic career services on-site by providing initial intake and assessment to customers who may be eligible for Second Chance Act services. Local partners agree that once a month is sufficient for the grantee to be present in the reception and career lab area based upon the number of questions they receive from customers about the grantee's program. The staff member's salary cost for the day each month will be quantified on an annual basis, and this amount will be the grantee's contribution. The indicated methodology for this contribution will be recorded as "agreed-upon contribution of basic career services per frequency of customer inquiries about the Second Chance Act."
- A CFC is located within a large building in which a Job Corps office is present but not located within the CFC itself. During negotiations, Job Corps and local partners agree that since Job Corps does facilitate referrals to and from the CFC and also since space does not have to be contiguous to be considered part of a CFC as long as it's at the same address, Job Corps will simply report the infrastructure cost of running their office and the "additional cost" of providing their own basic career services, (intake), on site as their IFA contribution. The indicated methodology for this contribution will be recorded as "non-contiguous co-location."

#### How can you contact all required one-stop partners in your area?

DEED does not have all local contacts for required one-stop partners in each LWDA. If your local CareerForce system management group does not have the contacts for all required partners in your area, please contact DEED's CareerForce Division for assistance. The CareerForce Division does have state-level contacts for each required one-stop partner program and can help make the necessary connections to ensure IFA negotiations include all required one-stop partners in your area.



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*Questions?*

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