

New Jersey

Workforce Innovation Notice ^{17-16(F)}

TO: Workforce Development System

FROM: John Bica, Chief,
Office of WIOA Technical Assistance and Capacity Building

SUBJECT: Training and Employment Guidance Letter 17-16

DATE: February 8, 2017

Purpose: To provide the federal guidance on one-stop infrastructure costs in Training and Employment Guidance Letter 17-16 to the Workforce Development System.

Background

WIOA Sec. 121 (b)(1)(A)(ii) requires one-stop partners to use a portion of their funds available for programs and activities to maintain the one-stop delivery system, including payment of infrastructure costs. Infrastructure costs are defined as non-personnel costs that are necessary for the general operation of the one-stop 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 one-stop center, including technology used for the center's planning and outreach activities. In the event that a local area is unable to reach a consensus with a partner, a funding mechanism determined by the State will be utilized for that partner's share.

The United States Department of Labor issued Training and Employment Guidance Letter (TEGL) 17-16, which provides policies related to the infrastructure funding. The full TEGL can be accessed here: https://wdr.doleta.gov/directives/attach/TEGL/TEGL_17-16.pdf. This New Jersey Workforce Innovation Notice (NJWIN) provides some of the key sections of the TEGL below:

Extension of Infrastructure Funding Agreement Implementation Timeline

Local areas must now have their final infrastructure funding agreements (IFA) in place no later than **January 1, 2018**. This extension does not apply to the rest of the Memorandum of understanding (MOU). Section 14(page 30) of the TEGL states: *DOL is using its transition authority in WIOA sec. 503(b) to provide an extension for the implementation date of the final IFAs for PY 2017. With this extension, final IFAs must be in place no later than **January 1, 2018**. However, Governors have the discretion to require local areas to enter into final IFAs at any time between July 1, 2017 and January 1, 2018. During the extension period, local areas may use the funding agreement they used for PY 2016, with any such modifications as the partners may agree to, to fund infrastructure costs in the local area. Furthermore, during the extension period, the regulations at 20 CFR 678.510(b) and 678.715(c), 34*

*CFR 361.510(b) and 361.715(c), and 34 CFR 463.510(b) and 463.715(c) providing for a six-month interim IFA do not apply. **This extension does not change the deadline of July 1, 2017 for the rest of the MOU.***

MOUs must, at a minimum, describe the services to be provided, contain the one-stop operating budget, outline how infrastructure and additional costs will be funded, and contain several other elements outlined in WIOA sec. 121(c) and 20 CFR 678.500, 34 CFR 361.500, and 34 CFR 463.500

For additional information related to the requirements of the MOU under WIOA see NJWIN 2-15. For additional information related to required one-stop partners, see NJWIN 13-16. Links to these documents are provided in the **Referents and Links** section of this guidance.

Additional Partners

TEGL 17-16 clarifies that additional partners are *not* subject to the State funding formula. Page 7 of the TEGL states: *Local WDBs and CEOs have the discretion to take the actions necessary to encourage the additional partners to contribute their proportionate share of infrastructure costs. This discretion does not include the ability to subject additional partners to the state funding mechanism. Failure to reach an infrastructure funding agreement with an additional one-stop partner does not trigger the state funding mechanism.*

Operating Budget

Section 4 (Page 3) of the TEGL describes how one-stop operating budgets are to be developed: *The operating budget of one-stop centers, or AJCs, is the financial plan to which the one-stop partners, CEO(s), and Local WDB in each local area have agreed in the MOU that will be used to achieve their goals of delivering services in a local area. The MOU must contain, among other things, provisions describing how the costs of services provided by the one-stop system and how the operating costs of such system will be funded, including the infrastructure costs for the one-stop system.*

The one-stop operating budget may be considered the master budget that contains a set of individual budgets or components that consist of costs that are specifically identified in the statute: infrastructure costs, defined in WIOA sec. 121(h)(4); and additional costs, which must include applicable career services and may include shared operating costs and shared services that are related to the operation of the one-stop delivery system but do not constitute infrastructure costs. These additional costs are described in WIOA sec. 121(i).

The one-stop operating budget must be periodically reconciled against actual costs incurred and adjusted accordingly. All one-stop partners, whether they are required partners or additional partners, must contribute to infrastructure.

Allowable Funds

The table below indicates which types of funds may be used by partner programs under the local and the state funding formulas. For example, under the local formula, TANF may determine which funds to contribute towards infrastructure; under the State formula, TANF may only use administrative funds.

Partner	Allowable Funds (Local Formula)	Allowable Fund (State Formula)
WIOA Adult, DW, Youth; Other WIOA Programs-Job Corps, YouthBuild, MSFW	Program and/or Administrative	Program and/or Administrative
SCSEP; TAA, Re-entry	Program and/or Administrative	Program and/or Administrative
Wagner-Peyser ES, JVSG, UI	Any funds allotted*	Any funds allotted*
AEFLA	Administrative; Non-federal resources (cash, non-cash, in-kind)	Administrative; Non-federal resources (cash, non-cash, in-kind); Other funds made available by the State
Perkins IV	Federal funds for local admin; Non-federal resources (cash, non-cash, in-kind); Other funds provided by the State	Federal funds for local admin of post-secondary programs and activities to eligible recipients or consortia of recipients; Non-federal resources (cash, non-cash, in-kind); Other funds provided by the State
VR Program	Any funds allotted*; Non-federal resources (cash, non-cash, in-kind)	Any funds allotted;* Non-federal resources (cash, non-cash, in-kind)
	May not count third-party in-kind contributions toward meeting match requirement under the VR program when such contributions are used for one-stop operating costs.	
HUD E&T; CSBG; TANF	These programs may determine funds used to pay infrastructure	Administrative
Additional Partners	These partners must consult their program requirements, statutes, authorizing documents/regulations.	Not Applicable

*These programs do not distinguish between program and administrative funds.

Rescissions:

None

References and Links

NJWIN 2-15 <http://lwd.state.nj.us/labor/wioa/documents/techassistance/NJWIN%202-15.pdf>

NJWIN 3-16 [http://lwd.state.nj.us/labor/wioa/documents/techassistance/NJWIN%2013-16\(Required%20One-Stop%20Partners\).pdf](http://lwd.state.nj.us/labor/wioa/documents/techassistance/NJWIN%2013-16(Required%20One-Stop%20Partners).pdf)

TEGL 17-16 Attachments

Attachment I Examples of Cost Pools and Possible Allocation Bases
<https://wdr.doleta.gov/directives/attach/TEGL/TEGL 17-16 Attachment I.pdf>

Attachment II Paying for the One-Stop Delivery System
<https://wdr.doleta.gov/directives/attach/TEGL/TEGL 17-16 Attachment II.pdf>

Attachment III Infrastructure Costs: Funding Sources
<https://wdr.doleta.gov/directives/attach/TEGL/TEGL 17-16 Attachment III Acc.pdf>

Attachment IV One-Stop Operating Costs
<https://wdr.doleta.gov/directives/attach/TEGL/TEGL 17-16 Attachment IV.pdf>

Action Required

Local workforce development boards must take the appropriate steps to ensure:

- MOUs are signed by all partners by July 1, 2017
- Final IFAs are signed by all partners by January 1, 2018

Authority

New Jersey Department of Labor and Workforce Development	X
State Employment And Training Commission	

Questions

For questions regarding this guidance, contact John Bicica, Chief, Office of WIOA Technical Assistance and Capacity Building, at john.bicica@dol.nj.gov