



February 9, 2017

Guidance for Community and Technical Colleges regarding WIOA Infrastructure Funding Agreement and additional cost negotiations

This guidance will support cost-sharing negotiations with the local workforce development council as required under federal law, and help colleges be aware of specific constraints or opportunities for different funding sources associated with workforce programs at our colleges.

Background on WIOA

The Workforce Innovation and Opportunity Act (WIOA) replaced the previous federal workforce law in 2015. WIOA asks the workforce development system to reimagine delivery of the many different types of training and services offered to job-seekers and employers into an integrated, aligned, and client-centric approach. It is worth noting that much of the philosophical underpinnings of WIOA are echoed in the multiple student success and guided pathways initiatives our colleges are actively pursuing.

The community and technical college (CTC) system is a critical partner to the successful implementation of WIOA, and our colleges have been deeply engaged in planning for implementation and have begun to make the law operational in partnership with local workforce development councils and other partners.

Requirement for local agreements to fund WorkSource

A long standing requirement of the federal workforce law (previously known as "WIA") is for local areas to negotiate funding agreements among mandatory one-stop partners in support of the one-stop career centers. In Washington, those centers are known as WorkSource. Cost sharing under WIOA has the added element of requiring the governor to intercede if local areas cannot come to agreement on how to split the infrastructure costs of operating the WorkSource. Broad principles for this intervention are described in the law, but the Washington state process for the governor's intervention hasn't yet been defined.

A key provision of WIOA is increased accessibility of mandatory partner programs in the WorkSource center. Partner programs are required to be physically present or accessible to job seekers by a "direct linkage" at the WorkSource. As such, mandatory partner programs must contribute to the infrastructure costs as well as costs associated with assuring career services are offered at the WorkSource. Additional costs may also be negotiated based on local needs. In all circumstances, the cost borne by required programs must be proportionate and have relative benefit to the users of the program.

Infrastructure funding types include cash and non-cash, as well as in-kind resources by a non-one-stop partner. Non-cash contributions by WorkSource partners are expenditures incurred by the partner on behalf of the WorkSource or goods and services contributed by a partner program and used by the WorkSource center. Non-cash contributions must be fairly valued as provided in 2 CFR 200.306. Third-party (i.e. non-partner) in-kind contributions include: (1) general contributions to one-stop operations (i.e., those not connected to any individual one-stop partner), and (2) those made specifically to a one-stop partner program.

WIOA does not include caps on the amount or percentage of overall funding a WorkSource partner may contribute, except that each partner program's contributions must be consistent with the program's authorizing statute and regulations, as well as with the Uniform Guidance. No partner may contribute more than its proportionate share based on relative benefit and use by the program.

Which programs are required to support WorkSource?

Washington's federally required WIOA plan (called Talent and Prosperity for All or "TAP") identifies three different types of programs within Washington's workforce development system:

1. Programs which are required WorkSource partners, and are named as TAP partners. These programs must have a physical presence or "direct linkage" for clients in the local comprehensive WorkSource. The law requires those programs to contribute to infrastructure costs and some additional costs (note that career services contribution is mandated).
2. Programs with requirements of participation in the WorkSource system in the program's authorizing law but are not TAP partners.
3. Programs which are critical to the success of the larger workforce development plan in Washington, but are not required WorkSource partners (these are described in the table below).

WIOA Combined Plan (TAP) Named Partner/ Required WorkSource Partner	Required WorkSource Partner, not TAP partner	Workforce System Partner Program
TANF (WorkFirst) *	Postsecondary career and technical education programs authorized under Carl D. Perkins Career and Technical Education Act, i.e. all approved professional-technical programs on college campuses	Apprenticeship
* CTCs provide TANF services under contract with DSHS		
Basic Education for Adults (WIOA Title II)		Customized Training Program
		Job Skills
		BFET
		Worker Retraining

While this constellation is complex, it is clear that the CTC system is a significant partner in Washington's workforce development system, delivering the lion's share of training and education as well as serving as a key connector to local employers.

For consideration while negotiating with your local area

A holistic approach - one considering multiple requirements and opportunities to bring greater resources and opportunities to our students - will need to be developed when determining contributions to the local WorkSource system. While many of our programs are not required to pay into the WorkSource system, we do expect the colleges will be braiding funds to meet the need of their local area in order to reduce the burden on any one program.

Any agreement for a college's financial and/or in-kind contribution to the WorkSource system in your local area should be proportionate to the use of the WorkSource system by college programs and students, and should be reached collaboratively and by consensus with the other local partners. The mantra is “allowable, reasonable, necessary”.

Questions to consider as the college works with the local area to determine a proportionate and fair contribution:

1. Where are the current intersections for our students and college programs/staff with the WorkSource system?
2. If we were to improve the service we get from the workforce system, what would it look like and how would our investment help evolve the system towards the vision? What is the ideal regional vision for WorkSource?
3. What is the status of the Title II (BEdA) negotiations for the college? Can the total college investment be made under a single agreement and incorporate Title II contributions with the contributions supporting other customers of WIOA (i.e. workforce students and programs). Important: The Title II contribution cannot be the sole contribution from the college because other college programs, such as Perkins, are required to contribute.
4. If more than one college is included in a local workforce area, are all the included colleges communicating and creating a collective plan for the WorkSource contribution? Should your region develop a single agreements between each college and the WDC, or an umbrella agreement encompassing all colleges in the local workforce development area?

Options for braiding funding sources to meet WorkSource infrastructure requirements

While negotiating a local agreement for funding the local WorkSource, colleges could consider using non-partner program resources towards the total contribution, preventing a burden on any one required partner program. In determining the source of WorkSource infrastructure funding, please be aware of non-supplanting rules.

The following funds are either required or optional contributors to WorkSource which a college could consider for braiding together the total contribution as defined in the local agreement. Constraints for each program are identified to help inform decision making.

Perkins IV Requirements (required WorkSource partner)

Federal Perkins Basic funds made available for local administration of postsecondary programs and activities may be used to pay infrastructure costs. Contributions from Perkins must be from local administrative funds only. Contributions made using administrative funds may not exceed the amount available for administrative costs (currently 5% of Perkins Basic grant).

Non-Federal resources that are cash, non-cash, or third-party in-kind contributions, and other funds made available by the State to postsecondary programs may also be used to contribute to infrastructure costs and fulfill the Perkins contribution requirement. Colleges can consider state allocated funds such as Worker Retraining, Opportunity Grant, discretionary grant funds and general allocation as non-federal resources. Please be aware of the non-supplanting rules.

Basic Education for Adults – WIOA Title II programs (required WorkSource partner)

Any ABE Grant funds used for WorkSource infrastructure must be categorized as administrative. Basic Skills administrative funds are capped at 5%.

Temporary Assistance for Needy Families (required WorkSource partner)

Temporary Assistance for Needy Families (TANF), titled WorkFirst in Washington, is a required partner in TAP. **The Department of Health and Human Services (DSHS) will be leading negotiations and entering into MOUs on behalf of TANF.** Please note, as a service delivery provider of TANF, WorkFirst colleges must reach out to their one-stop partners to collaborate on integrated service delivery and co-enrollment efforts. WorkFirst programs must ensure access to services, including co-enrollment of WorkFirst student in other WorkSource services.

Basic Food Employment & Training (BFET)

BFET is a federally-funded program and part of the TAP plan, however it is not required to make any infrastructure contributions to WorkSource. Colleges are encouraged to collaborate with partners to ensure access to BFET services and access for BFET students to other WorkSource services.

Worker Retraining

Worker Retraining is a state-funded program. Worker Retraining students are a subset of our students who most frequently access existing WorkSource resources as many are UI recipients. Colleges have found benefit to their students and their programs by co-investing with WorkSource for staff who are expert in both UI and federal workforce programs as well as the college programs funding workforce students. These co-located staff were initially underwritten by additional funds directed to the colleges many years ago. Co-location funds are still part of the annual allocation and are additional funds above and beyond the per-FTES funding in the allocation. These funds are highly flexible and could be used, along with the enrollment support portion of the WRT FTES, to contribute to the WorkSource. The financial aid portion of the WRT allocation cannot be used for WorkSource costs. WRT Financial Aid funds must only be used to directly support individual WRT students. Activities funded by Worker Retraining, such as advising, navigating, career services, employer engagement and more might be considered as part of a non-cash contribution.

Opportunity Grant

Opportunity Grant is a state funded program supporting workforce education students. A small portion of the OG FTES is dedicated to providing wrap-around services to eligible OG students. While cash support from OG does not seem to be a good fit for contributing to the WorkSource, colleges may have existing OG-funded activities, such as student success classes, could be seen as a non-cash contribution.

Discretionary Grant Funds

Competitive state-funded grants administered by SBCTC are not permanent funding sources and should be carefully considered for contributions. These grants often have a cap on administrative costs which would need to be maintained. Non-cash contributions could be possible with existing activities, such as navigation, employer engagement or career services.

Resources

Training and Employment Guidance Letter regarding operation on one-stops :

https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=8772

FAQ on Infrastructure Funding from DOL and DOE: <https://www.doleta.gov/wioa/docs/FAQs-Infrastructure-Funding-Guidance-Dec-27-2016.pdf>

Information on local workforce plans: <http://wtb.wa.gov/LocalWorkforcePlans.asp>

Washington's WIOA Plan, aka TAP: <http://wtb.wa.gov/WAWorkforcePlan.asp>