




# VIRGINIA BOARD OF WORKFORCE DEVELOPMENT

<b>Policy Area:</b> One-Stop Center Funding	
<b>Title of Policy:</b> One-Stop Center State Funding Mechanism	<b>Number:</b> 20-01
<b>Effective Date:</b> Jan 1, 2020	<b>Review by Date:</b> Jan 1, 2023
<b>Approved Date:</b> Dec 14, 2020	<b>Approved By:</b> 
<b>Revision Date:</b>	

### I. Purpose

This issuance defines and describes the mandated funding requirements for comprehensive and affiliate one-stop career centers in Virginia when and if the Local Workforce Development Board (LWDB), Chief Elected Official (CEO), and the Virginia Career Works Center partners in a local area do not reach consensus agreement on methods of sufficiently funding center infrastructure costs for a program year.

### II. Summary

WIOA requires one stop centers to be funded in a manner that allocates costs to each respective partner that reflects fairly, their proportionate share. If the partners in a local area are not able to reach consensus agreement on a method to sufficiently fund one stop center infrastructure costs for a program year, then the Governor or a designated representative will complete a series of financial exercises which ultimately results in having the Governor’s Office issuing a directive to each center partner program to pay an assessed amount toward the infrastructure funding costs of the center.

### III. References

- Workforce Innovation and Opportunity Act (Pub. L. 113-128).
  - §121(h) (1) and WIOA regulations at 20 CFR §678.725–§678.730.
- Training and Employment Guidance Letter WIOA No. 17-16, *Infrastructure Funding of the One-Stop Delivery System*, p.20.
- Training and Employment Notice No. 05-14, *Workforce Innovation and Opportunity Act Announcement and Initial Informational Resources*.
- Training and Guidance Letter No. 19-14, *Vision for the Workforce System and Initial Implementation of the Workforce Innovation and Opportunity Act of 2014*.
- VBWD Policy 300-02 One Stop Delivery.

#### **IV. Policy**

According to WIOA §121(h) (1) and WIOA regulations at 20 CFR §678.725–§678.730, if the Local Workforce Development Board (LWDB), Chief Elected Official (CEO), and the Virginia Career Works Center partners in a local area do not reach consensus agreement on methods of sufficiently funding center infrastructure costs for a program year, the Statewide Funding Mechanism will be applied to the local area for that program year.

To initiate the SFM, the CEO and the Chair of the LWDB must notify the Governor’s Office, in writing, by June 1 each year that a local agreement cannot be reached. Once the CEO and Board Chair has informed the Governor’s Office of their inability to reach consensus, the CEO and Board Chair must provide the Governor’s Office with all local negotiation materials.

#### **At a minimum, the CEO and Board Chair must provide to the Governor’s Office:**

- 1) The local WIOA One-Stop System Memorandum of Understanding (MOU);
- 2) The LWDB approved WIOA Local Plan;
- 3) The cost allocation methodology or methodologies proposed by the partners to be used in determining the proportionate shares;
- 4) The proposed budgetary amounts to fund infrastructure costs and the amount of partner funds included;
- 5) The type of funds (cash, non-cash, and third party in-kind contributions) available;
- 6) Any proposed or previously agreed-upon Virginia Career Works Center Infrastructure Funding Agreement (IFA);
- 7) Any partially agreed upon, proposed, or draft IFAs; and
- 8) A brief, descriptive summary of the key issues or obstacles precluding local agreement.

#### **The Governor or a designated representative will complete the following exercises:**

- 1) Determine the Virginia Career Works Center IFA through one or more of the following options;
  - a. Accept an IFA previously agreed upon by partner programs in the local negotiations; or
  - b. Create an IFA for the center using the State WDB formulas (described on following pages);
- 2) Establish a cost allocation methodology to determine the one-stop partner programs proportionate shares of infrastructure costs;
- 3) Determine each partner’s proportionate share, using the methodology established, and taking into consideration the key issues concerning individual partner programs;
- 4) Calculate the statewide caps on the amounts that partner programs may be required to contribute (described on following pages);
- 5) Ensure that the aggregate total of contributions, according to proportionate share required of all local partner programs, does not exceed the capitation level for that particular program, and direct payment accordingly;

- 6) If the total IFA exceeds one or more of the program capitation level, determine the amounts to direct each center program to pay. This can be accomplished by one or more of the following options:
  - a) Ascertain whether the local partner or partners whose proportionate shares are calculated above the individual program caps, are willing to voluntarily contribute funds above the capped amount, to equal that program's proportionate share;
  - b) Re-enter into local area budget negotiations to reassess each center partner's proportionate share;
  - c) Identify alternate sources of funding to make up the difference between the capped amount and the proportionate share of the one-stop partner(s); and
- 7) If none of the solutions prove to be viable:
  - a. Reassess the proportionate shares of each one-stop partner so that the aggregate amount attributable to the local partners for each program is less than that program's capitation amount;
  - b. Upon such reassessment, the Governor's Office will direct each center partner program to pay the reassessed amount toward the infrastructure funding costs of the center.

***Statewide Capitation on Proportionate Share***  
*(Only if the Governor's Office needs to determine local shares)*

*Relative to this policy governing calculation of the Statewide Capitation on Proportionate Share, all respective agencies shall be on record that their respective financial obligations are limited to their program partner contributions specific to the funding allotted to the Local Workforce Development Area (LWDA) where agreement is not able to be reached, and where the Statewide Funding Mechanism is being applied for that program year.*

**WIOA formula programs Title I - Adult, Dislocated Worker & Youth and Title III - Wagner-Peyser Act Employment Services:**

The portion of funds required to be contributed (under the WIOA Adult, Dislocated Worker or Youth programs, or under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) must not exceed 1.5 percent of the amount of Federal funds provided to administer that program for a fiscal year, specific to the funding allotted to the LWDA where agreement is not able to be reached, and where the Statewide Funding Mechanism is being applied for that program year.

**WIOA Title II - Adult Education:**

The portion of funds required to be contributed (under WIOA Title II – Adult Education) must not exceed 1.5 percent of the amount of Federal funds allotted specific to the Adult Education offices in the LDWA that administer that program for a fiscal year, where agreement is not able to be reached, and where the Statewide Funding Mechanism is being applied for that program year.

**Strengthening Career and Technical Education for the 21<sup>st</sup> Century Act (Perkins V):**

The portion of funds required to be contributed (under Strengthening Career and Technical Education for the 21<sup>st</sup> Century Act (Perkins V) is determined and based on the:

- a) funds made available by the State for postsecondary level programs and activities of the Strengthening Career and Technical Education for the 21<sup>st</sup> Century Act; and on the:
- b) amount of Perkins V funds used by the State during the prior year to administer postsecondary level programs and activities, and
- c) must not exceed 1.5 percent of the amount of Federal Perkins V funds allotted specific to the Technical Education offices in the LDWA that administer that program for a fiscal year, where agreement is not able to be reached, and where the Statewide Funding Mechanism is being applied for that program year.

**WIOA Title IV - Vocational Rehabilitation:**

The portion of funds required to be contributed to the one-stop infrastructure (under WIOA Title IV - Vocational Rehabilitation) is determined and based on the annual State fiscal year allotment, even in instances where that allotment is shared between two State agencies, and must not exceed 1.5 percent of the amount of Federal VR funds provided to the Local Department of Rehabilitative Services Offices in the LDWA that administer that program for a fiscal year, specific to the funding allotted to the LWDA where agreement is not able to be reached, and where the Statewide Funding Mechanism is being applied for that program year.

**For other required Virginia Career Works Center partners including Job Corps, YouthBuild, Native American Programs, Migrant and Seasonal Farmworker (NFJP) Programs, Senior Community Service Employment Program, Trade Adjustment Assistance, Unemployment Insurance, Housing and Urban Development Employment and Training Programs, Community Services Block Grant Program, and programs authorized under section 212 of the Second Chance Act of 2007:**

The portion of funds required to be contributed to the one-stop infrastructure must not exceed 1.5 percent of the amount of Federal funds provided to various local agency offices that administer that program for a fiscal year, specific to the funding allotted to the LWDA where agreement is not able to be reached, and where the Statewide Funding Mechanism is being applied for that program year.

**TANF programs:**

The capitation on contributions is determined based on:

- total Federal TANF funds expended by the State, in the local area for work, education, and training activities during the prior Federal fiscal year (as reported to the Department of Health and Human Services (HHS) on the quarterly TANF Financial Report form); and
- any additional amount of Federal TANF funds that the State TANF agency reasonably determines was expended for state and local administrative costs in connection with these activities, but that was separately reported to HHS; and
- the State's contribution to the one-stop infrastructure and must not exceed 1.5 percent of the amount of Federal TANF Employment and Training funds provided to the Local Department of Social Services in the LDWA that administer that program for a fiscal year,

specific to the funding allotted to the LWDA where agreement is not able to be reached, and where the Statewide Funding Mechanism is being applied for that program year.

**Appeals Process:**

Virginia Career Works center partners may appeal the Governor’s determination regarding the center’s partner portion of funds to be provided for infrastructure costs under the SFM, as outlined in 20 CFR 678.750, 34 CFR 361.750, and 34 CFR 463.750. If a LWDB, CEO, or partner program disagrees with the State determination of the local area infrastructure agreement, an appeal may be submitted to the Governor’s Chief Workforce Advisor in writing no later than 30 days after having received notice of the SFM determination. All appeals submitted to the Governor’s Chief Workforce Advisor in writing shall state the basis for the appeal and shall include any documentary evidence that the local WDB would like reviewed prior to rendering a decision. The Governor’s Chief Workforce Advisor shall review the documentary evidence presented by the CEO and LWDB and shall request any additional information or conduct any investigation necessary to render a decision. A decision will be made based on the written record and shall be rendered within 30 days after receipt of the appeal.

**Technical Assistance**

The WIOA Title I Administrator will provide technical assistance through a dedicated One-Stop State Funding Mechanism System Support Team, which will be comprised of subject matter experts from partnering agencies along with dedicated WIOA program staff.

**Monitoring**

The One-Stop Center State Funding Mechanism process shall be monitored in accordance with established state and local monitoring policies and guidance documents.