Infrastructure Funding Agreement (IFA)

The IFA contains the infrastructure costs budget, which is an integral component of the overall one-stop operating budget. The other component of the one-stop operating budget consists of additional costs, which include applicable career services, and may include shared operating costs and shared services. While each of these components covers different cost categories, an operating budget would be incomplete if any of these cost categories were omitted, as all components are necessary to maintain a fully functioning and successful local one-stop delivery system. Therefore, the State Partner Agencies strongly recommend that the Local Workforce Development Boards (LWDB), one-stop partners, and Chief Elected Officials negotiate the IFA, along with additional costs, when developing the operating budget for the local one-stop delivery system. The overall one-stop operating budget must be included in the Memorandum of Understanding (MOU). IFAs are a mandatory component of the local MOU, described in WIOA sec. 121(c) and 20 CFR 678.500 and 678.755, 34 CFR 361.500 and 361.755, and 34 CFR 463.500 and 463.755. Similar to MOUs, the Local WDB may negotiate an umbrella IFA or individual IFAs for one or more of its American Job Centers (AJCs).

Consistent with 20 CFR 678.755, 34 CFR 361.755, and 34 CFR 463.755, IFAs must include the following elements:

- The period of time in which the IFA is effective (which may be a different time period than the duration of the MOU);
- Identification of the infrastructure costs budget, which is a component of the one-stop operating budget;
- Identification of all one-stop partners, CEO(s), and the Local WDB participating in the IFA;
- A description of the periodic modification and review process to ensure equitable benefit among one-stop partners;
- Information on the steps the Local WDB, CEO(s), and one-stop partners used to reach consensus or the assurance that the local area followed the SFM process; and
- A description of the process to be used among partners to resolve issues related to infrastructure funding during the MOU duration period when consensus cannot be reached.

AJC infrastructure costs include, but are not limited to:

- Rental of the facilities;
- Utilities and maintenance;
Equipment, including assessment-related products and assistive technology for individuals with disabilities; and,

Technology to facilitate access to the American Job Center, including technology used for the center’s planning and outreach activities.

All Parties to this IFA recognize that infrastructure costs are applicable to all required Partners, whether they are physically located in the American Job Center or not. Each Partner’s contributions to these costs, however, may vary, as these contributions are based on the proportionate use and relative benefit received, consistent with the Partner programs’ authorizing laws and regulations and the Uniform Guidance.

**Partners**

Partners funding the costs of infrastructure according to this IFA are the same as identified in the *Partners* section of the MOU; *Section 1. Convening of the Parties to MOU*.

**Infrastructure Budget**

As indicated in the Infrastructure Budget (refer to last page of the attached Individual AJC Budget Template) the Infrastructure Budget sheet is comprised of the following sections:

- **Total Partner Contribution – By Cost Category**: this section provides total AJC costs by Partner Programs for each cost category to include: Infrastructure Costs; Additional Costs, Shared-Direct Costs, and Non-Shared Direct Costs; and,

- **Total AJC Operating Costs Budget**: this section provides total AJC costs by Cost Category, Cost Pool, Cost Item, and Location.

**Cost Allocation Methodology**

All Parties agree that the cost allocation methodology as listed below:

[List cost allocation bases here: ]

**Cost Reconciliation and Allocation Base Update**

All Partners agree to use the following process for cost reconciliation and allocation base update:

[Provide process for cost reconciliation and allocation base update here: ]

**Steps to Reach Consensus**

All Partners agree to use the following steps to reach consensus and to make a concerted effort to negotiate the IFA along with the remainder of the MOU, including the overall operating budget, for the Local WDA American Job Center network:

[Provide steps to use to reach consensus: ]
**Dispute and Impasse Resolution**

All Parties will actively participate in Local IFA negotiations in a good faith effort to reach agreement. Any disputes shall first be attempted to be resolved informally. Should informal resolution efforts fail, the process outlined in the Dispute Resolution (section 13 of the MOU) must be followed.

If Partners in a Local area have employed the dispute resolution process and have failed to reach consensus on an issue pertaining to the IFA, then an impasse is declared and the State Funding Mechanism (SFM) is triggered.

![Helpful Tip - State Funding Mechanism](https://www.tn.gov/content/dam/tn/workforce/documents/ProgramManagement/One-Stop_Infrastructure_Governors_Guidance.pdf)

If the Parties cannot reach consensus on methods of sufficiently funding a one-stop center’s infrastructure costs and the amounts to be contributed by each Local Partner program, the Local WDB is required to notify the Governor. Notification must be given to the Governor according to State guidance, One-Stop Infrastructure Guidance located at:

[https://www.tn.gov/content/dam/tn/workforce/documents/ProgramManagement/One-Stop_Infrastructure_Governors_Guidance.pdf](https://www.tn.gov/content/dam/tn/workforce/documents/ProgramManagement/One-Stop_Infrastructure_Governors_Guidance.pdf)

The IFA becomes effective as of the date of signing by the final signatory.

Programs may appeal the Governor’s determinations of their infrastructure cost contributions in accordance with the process established under 20 CFR 678.750, 34 CFR 361.750, and 34 CFR 463.750.
Modification Process

All Parties agree to abide by the process for modification, as outlined in the Amendment/Modification section of the MOU; Section 13. DURATION/AMENDMENT/APPEAL PROCEDURES.

Effective Period

This IFA is entered into on July 1, 2017. This IFA will become effective as of the date of signing by the final signatory below and must terminate on June 30, 2020 (consistent with MOU), unless any of the reasons in the Termination section of the MOU apply.

Definitions

One-Stop Delivery System

The one-stop delivery system (herein also referred to as the American Job Center network) brings together workforce development, educational, and other human resource services in a seamless customer-focused service delivery network that enhances access to the programs’ services and improves long-term employment outcomes for individuals receiving assistance. One-stop Partners administer separately funded programs as a set of integrated streamlined services to customers.

[20 CFR 678.300(a); 34 CFR 361.300(a); and 34 CFR 463.300(a)]
Required One-Stop Partners

Department of Labor

- WIOA title I programs:
  - Adult, Dislocated Worker, and Youth formula programs;
  - Job Corps;
  - YouthBuild;
  - Native American programs;
  - Migrant Seasonal Farmworkers (MSFW) that includes the National Farmworker Jobs Program (NFJP);

- Wagner-Peyser Act Employment Service program authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), as amended by WIOA title III;

- Senior Community Service Employment Program (SCSEP) authorized under title V of the Older Americans Act of 1965;

- Trade Adjustment Assistance (TAA) activities authorized under chapter 2 of title II of the Trade Act of 1974;

- Unemployment Compensation (UC) programs;


- Reentry Employment Opportunities (REO) programs (formerly known as Reintegration of Ex-Offenders Program (RExO)) authorized under sec. 212 of the Second Chance Act of 2007 (42 U.S.C. 17532) and WIOA sec. 169;

Department of Education

- Adult Education and Family Literacy Act (AEFLA) program, authorized under WIOA title II;

- Career and technical education programs at the postsecondary level, authorized under the Carl D. Perkins Career and Technical Education Act of 2006 (Perkins);

- The State Vocational Rehabilitation (VR) Services program authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.), as amended by WIOA title IV;
Department of Housing and Urban Development

- Employment and training programs;

Department of Health and Human Services

- Employment and training activities carried out under the Community Services Block Grant (CSBG) programs (42 U.S.C. 9901 et seq.); and
- Temporary Assistance for Needy Families (TANF) program authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), unless exempted by the Governor under 20 CFR 678.405(b).

[WIOA sec. 121(b)(1)(B); 20 CFR 678.400-405; 34 CFR 361.400-405, and 34 CFR 463.400-405]

Additional One-Stop Partners

Other entities that carry out a workforce development program, including Federal, State, or Local programs and programs in the private sector, may serve as additional Partners in the American Job Center network if the Local WDB and chief elected official(s) approve the entity’s participation.

Additional Partners may include employment and training programs administered by the Social Security Administration, including the Ticket to Work and Self-Sufficiency Program established under sec. 1148 of the Social Security Act (42 U.S.C. 1320b–19), employment and training programs carried out by the Small Business Administration, Supplemental Nutrition Assistance Program (SNAP) employment and training programs, authorized under secs. 6(d)(4) and 6(o) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(d)(4) and 2015(o)), Client Assistance Program authorized under sec. 112 of the Rehabilitation Act of 1973 (29 U.S.C. 732), programs authorized under the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.), and other appropriate Federal, State, or local programs, including employment, education, and training programs provided by public libraries or in the private sector, programs providing transportation assistance, and programs providing services to individuals with substance abuse or mental health issues.

[20 CFR 678.410; 34 CFR 361.410; 34 CFR 463.410; and TEGL 17-16]

Infrastructure Costs

Infrastructure costs are defined as non-personnel costs that are necessary for the general operation of the one-stop center, including but not limited to applicable facility costs (such as rent), costs of utilities and maintenance, equipment (including assessment-related products 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. Common identifier costs may be considered as costs of one-stop infrastructure.

[WIOA sec. 121(h)(4); 20 CFR 678.700(a)-(b); 34 CFR 361.700(a)-(b); and 34 CFR 463.700(a)-(b)]
Additional Costs
Must include the costs of the provision of career services in Sec. 134(c)(2) applicable to each program consistent with Partner program’s applicable Federal statutes and allocable based on cost principles of the Uniform Guidance at 2 CFR Part 200 and may include shared operating costs and shared services.

[WIOA Sec. 121(i)(1); 20 CFR 678.760(a); 34 CFR 361.760(a); 34 CFR 463.760(a); and TEGL 17-16]

Shared Operating Costs and Shared Services
Shared operating costs and shared services costs may include costs of shared services that are authorized for and may be commonly provided through the one-stop Partner programs, including initial intake, assessment of needs, appraisal of basic skills, identification of appropriate services, referrals to other one-stop Partners, and business services.

[WIOA sec. 121(i)(2); 20 CFR 678.760(b); 34CFR 361.760(b); 34 CFR 463.760(b); and TEGL 17-16, RSA TAC, and OCTAE Program Memo 17-3, Infrastructure Funding of the One-Stop Delivery System (pp. 4-5, Attachment II)]

One-Stop Operating Budget
The one-stop operating budget of one-stop centers or American Job Centers (AJC) is the financial plan that the one-stop partners, the CEO, and the Local WDB have agreed to 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 shared services provided by the one-stop system and the operating costs of such system will be funded, including the infrastructure costs for the one-stop system (WIOA sec. 121(c)(2)(A) and 20 CFR 678.500(b)).

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 and 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. This reconciliation helps to ensure that the budget reflect a cost allocation methodology that demonstrates how infrastructure costs are charged to each partner in proportion to the partner’s use of the one-stop center and relative benefit received. The one-stop operating budget may be further refined by the one-stop partners, as needed, to assist in tracking their contributions. It may be necessary at times to separate the budget of a comprehensive one-stop center from a specialized one-stop center or an affiliate one-stop center.

One-Stop operating costs include infrastructure costs and additional costs, which are made up of applicable career service, shared operating costs and shared services.
Funding Types

Cash
- Cash funds provided to the Local WDB or its designee by one-stop Partners, either directly or by an interagency transfer, or by a third party.

Non-Cash
- Expenditures incurred by one-stop Partners on behalf of the one-stop center; and
- Non-cash contributions or goods or services contributed by a Partner program and used by the one-stop center.

Third-Party In-Kind
- 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:
  - Support the one-stop center in general; or
  - Support the proportionate share of one-stop infrastructure costs of a specific partner.

[20 CFR 678.720; 20 CFR 678.760; 34 CFR 361.720; 34 CFR 361.760; 34 CFR 463.720; and 34 CFR 463.760]

Allocation
Allocation means the process of assigning a cost, or a group of costs, to one or more cost objective(s), in reasonable proportion to the benefit provided or other equitable relationship. The process may entail assigning a cost(s) directly to a final cost objective or through one or more intermediate cost objectives.

Cost Objective
Cost objective means a program, function, activity, award, organizational subdivision, contract, or work unit for which cost data are desired and for which provision is made to accumulate and measure the cost of processes, products, jobs, capital projects, etc.
**Authority and Signature**

► One completed, signed, and dated Authority and Signature page is required for each signatory official (see MOU Section 20. AUTHORITY AND SIGNATURES).

By signing my name below, I, ____________________________ certify that I have read the above information. All of my questions have been discussed and answered satisfactorily.

My signature certifies my understanding of the terms outlined herein and agreement with:

- The MOU
- The Operating Budget
- The Infrastructure Funding Agreement (IFA)

By signing this document, I also certify that I have the legal authority to bind my agency (outlined below) to the terms of:

- The MOU
- The Operating Budget
- The Infrastructure Funding Agreement (IFA)

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Printed Name and Title

Agency Name

Agency Contact Information