STATE OF MAINE
DEPARTMENT OF LABOR
STATE WORKFORCE BOARD
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AUGUSTA, MAINE 04333-0055

www.Maine.gov/SWB

Janet T. Mills
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MAINE WORKFORCE DEVELOPMENT SYSTEM			
Subject:	**Infrastructure Funding Agreement MOU Phase II**	Policy No:	**PY-19-04**
To:	• State WDB • Local WDBs • Chief Elected Officials • WIOA Required Partners	From:	State Workforce Board
Issuance Date:	**June 12, 2020**	Status:	**ACTIVE**
Authority:	• WIOA (Pub. L. 113-128) Sections:121(b)(1)(B); 121(b)(2)(B); 121(h) • 20 CFR 678.400, 678.700 thru 678.760; • 34 CFR 361.400, 361.700 thru 361.760; • 34 CFR 463.400. 463.700 thru 463.760 • TEGL 17-16; PM-OCTAE 17-03; RSA-TAC 17-03 • Infrastructure Cost Sharing FAQs		
Key:	**CEO** = Chief Elected Official, **IFA** = Infrastructure Funding Agreement; **IFM** = Infrastructure Funding Mechanism; **LB** = Local Board; **PM** = Program Memorandum; **RP** = Required Partner; **SFM** = State Funding Mechanism; **TAC =** Technical Assistance Circular; **TEGL** = Training and Employment Guidance Letter		

Purpose

To provide guidance to Local Boards (**LBs**), Chief Elected Officials (**CEOs**) and Required Partners (**RPs**) regarding development and implementation of a local Infrastructure Funding Agreement (**IFA**). An IFA identifies how one-stop infrastructure costs jointly benefitting required partner programs will be equitably shared. This guidance also identifies: roles and responsibilities; timelines by which components of the cost-sharing negotiations process must be completed; requirements for documenting the negotiations process; and an overview of cost allocation methodologies based on proportionate use and relative benefit received.

Background

WIOA requires that each entity that carries out a program or activities in a local area use a portion of its funds available to establish and maintain the local one-stop infrastructure. Local partners may also agree to negotiate cost sharing for other activities, such as shared staff who provide common functions. All required partners must provide access to their services from at least one comprehensive one-stop in each local area. With the agreement of Chief Elected Officials, WIOA directs local boards and required partners to work together to design and implement a streamlined, customer-centric, integrated system of services.

In collaboration, required partners, CEOs and LBs identify the types of centers that will make up the one-stop delivery system in each local area (comprehensive, affiliate, and specialized) and the partner services that will be made available through each. Once the service delivery design phase is complete (*see PY16-01 for MOU guidance* https://www.maine.gov/swb/laws/policies/PY16-01_MOU_Phase_1.pdf) a second phase commences in which local boards and one-stop partners identify and determine how infrastructure and other costs will be shared, this phase is referred to as the **Infrastructure Funding Agreement (IFA).** The infrastructure funding agreement portion of the overall MOU must be reviewed and renegotiated annually.

Timelines

- **07/30/2020** - date local area must provide a notice of failure to reach agreement to MDOL
- **09/30/2020** - date local area must submit signed IFA, using either the LFM or SFM to MDOL
- **01/01/2018** - date US Departments of Labor and Education require IFAs be in place in local areas.

Required Partners

A. WIOA title I programs (29 U.S.C. chapter 32):
- Adult, Dislocated Worker, and Youth formula programs;
- Job Corps;
- YouthBuild;
- Native American Programs;
- National Farmworker Jobs Program

B. Employment Services authorized by the Wagner-Peyser Act (29 U.S.C. 49 et seq.) as amended by WIOA title III
C. Senior Community Service Employment Program, authorized under title V of Older Americans Act of 1965;
D. Trade Adjustment Assistance (TAA), authorized under chapter 2 of the title II of the Trade Act of 1974;
E. Unemployment Compensation (UC) programs;
F. Jobs for Veteran's State Grants (JSVG) programs, authorized under chapter 41 of title 38, U.S.C.; and
G. Reentry Employment Opportunities (REO) programs, authorized under sec. 212 of the Second Chance Act of 2007 (42 U.S.C. 17532) and WIOA sec. 169;
H. Adult Education and Family Literacy Act (AEFLA) program, authorized under WIOA title II;
I. Career and technical education programs at the postsecondary level, authorized under the Carl D. Perkins Career and Technical Education Act of 2006 (Perkins IV); and
J. 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;
K. Employment and Training Programs funded through the Department of Housing and Urban Developed
L. Employment and training activities carried out under the Community Services Block Grant (CSBG) programs (42 U.S.C. 9901 et seq.); and
M. 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), 34 CFR 361.405(b), and 34 CFR 463.405(b);

Roles and Responsibilities

The Governor, through the **State Workforce Board** is responsible for creating the framework for infrastructure cost sharing that required partners and local boards must follow.

The **State Workforce Agency (MDOL**) is responsible for monitoring local area fiscal operations and ensuring the conditions of the MOU and IFA are implemented according to these requirements.

Local Boards and CEOs are responsible for:
- Working to achieve consensus on cost sharing between one-stop partners;
- Negotiating the IFA and/or implementing the SFM if unable to achieve consensus;
- Ensuring required partners adhere to the IFA/SFM guidelines;
- Providing technical assistance to partners to ensure they understand MOU/IFA requirements;
- Ensuring one-stop infrastructure costs are paid according to the provisions of the MOU/IFA; and
- Consulting with appropriate parties as directed under WIOA.

Required Partner Programs must provide access to their services through the comprehensive one-stop in each local area and must use a portion of its funds to maintain the one-stop delivery system, including payment of infrastructure costs. Required partners must work collaboratively and in good faith with LBs and CEOs to: enter into a memorandum of agreement that identifies the services to be provided in the local one-stop system; identify one-stop centers in the local area, including comprehensive, affiliate and if applicable specialized one-stops; and agree to methods of calculating the amounts each partner will contribute toward one-stop infrastructure costs.

Local Funding Mechanism (LFM)

The LFM provides partners with the most flexibility in how they can leverage their resources and come to consensus on an Infrastructure Funding Agreement (IFA); consensus on the infrastructure budge and partner contributions must be reached by all partners for the local funding mechanism to work. If consensus cannot be reached, the State Funding Mechanism is triggered. Under the LFM, LBs, CEOs and required partners negotiate and agree to the methods to be used and the amounts each partner will contribute to one-stop infrastructure costs. The sharing and allocation of infrastructure costs are governed by WIOA sec. 121(h), its implementing regulations, and the Federal cost principles contained in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards at 2 CFR part 200 and 2 CFR part 2900. WIOA requires that one-stop partner programs contribute to infrastructure and certain additional costs based on their proportionate use and relative benefit received. Partner contributions must be allowable, reasonable, necessary and allocable to the partner program, consistent with Federal cost principles set forth in the Uniform Guidance.

Under the LFM, there are no specific caps on the amount or percent of overall funding a partner may contribute, except that administrative costs may not exceed the amount available under each partner's authorizing statute. Cash, non-cash, and third-party in-kind contributions may be provided by one-stop partners, or by other agencies on behalf of one-stop partners, to cover their proportionate share of cost.

State Funding Mechanism (SFM)

In the event the LB, CEOs and RPs in a local area do not reach agreement on methods of sufficiently funding infrastructure costs for a program year, the SFM will be used for that local area. Under the SFM, the Governor determines partner contributions and calculates the statewide caps by considering total partner program funding against the statutory caps specified in WIOA and regular funding distribution formulas. Each required partner must provide information on the total amount of funding they receive for the SFM calculation to be figured, local boards are responsible for gathering this data when calculating the local one-stop system operating costs and partner contributions.

Required Elements of an Infrastructure Funding Agreement (IFA)

The IFA is a mandatory component of the local MOU, the IFA must include the following elements:

A. The timeframe the IFA is in effect, which may differ from the timeframe the overall MOU is in effect;
B. Identification of an infrastructure and shared services budget, which will be periodically reviewed and accordingly adjusted to ensure it reflects a cost allocation methodology that appropriately charges costs to each partner in proportion to their use of the one-stop center and the relative benefit received by their program; it is a component of the overall one-stop operating budget;
C. Identification of all one-stop partners, CEOs, and LBs participating in the IFA, including signatures of the individuals with the authority to bind the agreement;
D. Documentation of steps the LB, CEOs and RPs used to reach consensus, and if unable to reach consensus, assurance the local area has followed the SFM process;
E. A description of the process to be used by partners to resolve issues related to infrastructure funding during the IFA duration period; and
F. A description of the periodic modification and review process to be implemented to ensure equitable benefit among one-stop partners.

Steps for Developing an Infrastructure Funding Agreement

1. Identify full cost of operating the one-stop system in the local area, including infrastructure costs and additional costs;
2. Create the one-stop operating budget that includes the infrastructure and additional costs budgets;
3. Develop reasonable cost allocation methodologies, including the identification of cost pools and allocation bases and select those that are to be applied;
4. Determine estimated partner contributions;
5. Allocate costs by each partner's proportionate use and relative benefit received and determine the method each partner will use to cover their cost;

6. Prepare and agree to the IFA(s) *(Note: you may want a single IFA for the comprehensive one-stop center and separate IFAs for affiliate centers*);
7. Identify how and how often (at least twice a year) a reconciliation will be conducted to be sure costs are allocated appropriately; and
8. Document and evaluate the negotiations process in full, including meetings, partners conferred with, meeting outcomes and final decisions.

One-Stop Operating Budget

To provide a starting point for negotiating cost sharing, each local area must identify the total cost of operating the local one-stop delivery system and the resources that will support those costs. The one-stop operating budget acts as the master budget that contains sets of individual budgets for infrastructure costs, the cost of providing career services, shared operating costs, shared services costs, and additional costs related to the operation of the one-stop. The one-stop operating budget must be included in the IFA.

Infrastructure Cost Budget

Infrastructure costs are the non-personnel costs necessary for the general operation of the one-stop center and which may include: facilities rental costs; 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. It may also include common identifier costs and the cost of supplies to support the general operation of the one-stop center. Non-personnel costs are all costs that are not compensation for program partner personnel. For example, technology related services performed by outside vendors or contractors are non-personnel costs and may be identified as infrastructure costs. Such costs would include service contracts with vendor or contractors of equipment and supplies.

Personnel costs include salaries, wages, and fringe benefits of employees of partner programs or their subrecipients, for example costs of partner program staff who use MIS systems to identify common performance and reporting outcomes would be personnel costs. The cost of a shared receptionist is a personnel expense and would not be included in the cost budget for SFM purposes but may be included in the local area IFA if partners agree to include shared services costs.

Infrastructure costs may be funded through cash and fairly-evaluated non-cash and third-party in-kind partner contributions. Partners' share of costs must be based on reasonable cost allocation methodologies that ensure costs are charged to each partner program in proportion to its use of the one-stop center and relative to its benefits received. Such costs must be allowable, reasonable, necessary and allocable.

The requirements that govern infrastructure costs apply to each one-stop center in the local delivery system, whether the center is a comprehensive, affiliate, or specialized center. Required partners must provide access to their services through at least one comprehensive one-stop center in each local area and as such must contribute to the infrastructure costs of the comprehensive center. Only those partners that participate in affiliate centers are required to contribute toward the infrastructure costs of those centers.

Types of Contributions		
Cash	**Non-Cash**	**Third-Party / In-kind**
Funds provided to the LB or its designee by one-stop partners, either directly or by interagency transfer or by third party.	Expenditures incurred by one-stop partners on behalf of the one-stop center; and Non-cash contributions of goods or services contributed by a partner program and used by the one-stop center.	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 in general • Support the proportionate share of a specific partner •

	Must be valued consistent with 2 CFR 200.306 to ensure they are fairly evaluated and meet the partners' proportionate share. Partners must fairly value contributions on a periodic and annual basis.
Examples of the above can be found in the guidance documents issued by US Departments of Labor and Education via the links in the Reference section of this document.	

Funding Limitations

Partner contributions are subject to that partner programs' administrative cost limitations and restrictions:

- Native American programs may contribute to infrastructure costs, but are not required to;
- Job Corps may only use program funds toward shared infrastructure costs;
- Adult Education and Postsecondary Carl Perkins recipients may only use admin funds toward such costs;
- Wagner Peyser, Unemployment Compensation, Jobs for Veteran's State Grant and Vocational Rehabilitation programs do not distinguish between program and admin funds; and
- Title IB, YouthBuild, National Farmworker Jobs Program, Senior Community Service Employment Program, Trade Assistance Act, and REO programs may use either admin or program funds to support shared infrastructure costs.
- Other partners carrying out employment and training activities with their funds (HUD, CSBG, etc.) must consult their authorizing documents;
- The Governor has excluded TANF from this requirement.
- Additional partners whose services are accessed through a one-stop must also participate in infrastructure cost sharing of the IFA but will not be subject to the State Funding Mechanism if it is triggered.

Proportionate Use

"Proportionate use" refers to a partner program contributing its fair share of the costs proportionate to:

1. The use of the One-Stop center by customers that may include reportable individuals and participants in its program served through that One-Stop center;
2. The amount of square footage occupied by the partner program in that One-Stop center; or
3. Another allocation base consistent with Uniform guidance.

Relative Benefit

The "relative benefit" received from participating in the one-stop delivery system is another step in the cost allocation process. Determining relative benefit does not require partners to conduct an exact or absolute measurable benefit, but rather to measure a partner's benefit using reasonable methods that are agreed to by all partners.

Cost Allocation

Prior to determining the method of cost allocation, it is necessary to determine if the costs are direct or indirect. **Direct costs** are costs that are identified specifically with a cost objective and charged directly to that objective. Direct costs may be classified as assignable or shared. **Shared direct costs** cannot be readily assigned to a final cost objective but are directly charged to an intermediate cost objective or cost pool and subsequently allocated to final cost objectives. These costs are incurred for a common or joint purpose benefiting more than one funding stream. **Indirect costs** are costs that have been incurred for a common or joint purpose and cannot be readily identified with a final cost objective. A method of allocation must be used to distribute the indirect costs to the various direct activities that benefited. To distribute indirect costs equitably and consistently, a cost allocation plan must be developed. A cost may not be allocated as an indirect cost if that cost or any other cost incurred in the same circumstance and for the same purpose has already been assigned to the program as a direct cost.

Measuring benefit

Measuring benefit is the critical requirement and central task to be performed in allocating costs. Costs are allocable to a cost objective based on the benefits received by that cost objective. When the direct measurement of benefit cannot be done efficiently and effectively, then it is appropriate to pool the costs for later distribution.

The allocation base is the mechanism used to allocate the pooled costs to final cost objectives. Care should be taken to ensure that the basis chosen does not distort the results.

Allocability

For a cost to be allocable to a cost objective, it must be treated consistently with other costs incurred for the same purpose in like circumstances. Any cost allocable to a grant or other cost objective under these principles may not be shifted to other Federal grants to overcome funding deficiencies, to avoid restrictions imposed by law or grant agreement, or for other reasons. Costs that are prohibited by a funding source may not be paid or used as offsets under a pooled cost agreement.

Allowability

To be allowable, a cost must be necessary and reasonable for the proper and efficient administration of the program. To reduce the risk of accumulating and being held accountable for disallowed costs, program operators should carefully review anticipated program expenditures, the terms and conditions of the award, and applicable regulations before any program costs are incurred.

Reasonableness

For a cost to be reasonable under an award, it cannot exceed that which would be incurred by a prudent person under the same circumstances. In determining the reasonableness of a given cost, consideration should be given to:

- Whether the cost is a type generally recognized as ordinary and necessary for the operation of the organization or the performance of the award.
- The restraints or requirements imposed by such factors as generally accepted sound business practices, arms-length bargaining, Federal and state laws and regulations, and terms and conditions of the award.
- Whether individuals concerned acted with prudence in the circumstances considering the responsibilities to the organization, its members, employees and clients, the public at large, and the government.
- Significant deviations from the established practices of the organization that may have unjustifiably increased the award's costs.

Cost Allocation Plan (CAP)

Once pooled costs to be shared among partners are identified, a basis of allocation must be agreed upon that is: fair to benefiting programs, measurable, consistent, and supported by ongoing data collection. Different bases may allocate different pools. A cost allocation plan is required to document the allocation process and is to include at least the following elements:

- Organization chart that identifies all partners, types of services provided, and staff functions.
- A description of the type of services and programs provided by the One-Stop system.
- A copy of the official budget that includes all costs of the system.
- The methods used in allocating the expenses to benefiting cost objectives. This requires identifying the basis for allocating each type of pooled cost, and the documentation for supporting each basis of allocation.

Cost Allocation Parameters

- Each partner must contribute its portion of pooled costs in addition to paying its own direct costs.
- The One-Stop system cannot deviate from existing federal, state, or local regulations. Costs that are prohibited by a funding source (federal, state, or local) may not be paid or used to cover costs identified under a pooled cost agreement.
- Components of the cost pool are limited to costs incurred during the period of operation.
- Required contributions are based on cost. In the case of staff, use actual salary and benefit costs in calculations, not number of staff and function performed. If different individuals will perform the function, then an average of their actual salaries and benefits may be used. Square footage will generally become the allocation basis for space. The cost per square foot becomes a pooled cost that is a direct charge to the partners.

Common costs must be divided up so that partners pay the share that is attributable to their program. Such costs must be allocated only to those programs that benefit and partners must agree to a method to divide up the common costs. Costs may be allocated using any methodology agreed upon by the partners and which reflect the best method of benefit received by the partner programs. Costs may be allocated:

- **In the aggregate**. A big picture-based methodology where the common costs of the center are totaled, and each partner pays their fair share of the total of all common costs. For example, all shared costs of the one-stop center are pooled and allocated using a cost per hour of operation basis.
- **On an activity basis**. Using this approach, the costs associated with a common activity are pooled (such as common intake) and the partners pay their fair share of the cost of that activity. The costs for each activity being allocated would be added together for the total shared costs by partner. For example, the costs of a combined intake and eligibility determination system could be pooled and allocated based on data bytes on common forms attributable to each program.
- **On an item of cost basis**. Using this methodology, each item of cost is allocated to the benefitting partner program using a separate allocation methodology. For example, using rent as a cost and allocating it among partners based on square footage.
- **On a combination basis.** Partners may also allocate costs on a combination of above bases by allocating some costs on an activity basis and other shared costs on an individual item of cost basis.

Whatever cost allocation methodology is used, it must be consistent with: the GAAP, applicable OMB Cost Principles, applicable administrative requirements, be accepted by each partner's auditors and be supported by actual cost data. Cost allocation must not shift costs to a program that are not allocable to that program and/or do not benefit that program.

Periodic Review and Reconciliation

Partner shares must be periodically reviewed (no less than twice a year) and reconciled against actual costs incurred and adjusted to be sure actual costs charged to any one-stop partner are proportionate to the use of the one-stop center and relative to the benefit received by the one-stop partner, their programs or activities.

Documenting the IFA negotiations process

Local areas must document the process they used to reach agreement on infrastructure cost sharing; such documentation may include: meeting agendas and minutes showing who attended and what transpired; tools or forms created to facilitate the process and activities undertaken to reach agreement on infrastructure cost sharing so that the process is transparent to all involved parties.

Shared Costs:

Local areas may decide to include joint funding of other shared costs in the local IFA. In such cases, partners must identify what the shared costs are, the dollar values they represent, and how they will be funded by each partner. Centers with co-located partners that collaborate to provide up-front services, such as intake, orientation, assessment and service referral, may share the cost of staff providing those services on behalf of all co-located partners.

Sample Cost Pools and Allocation Bases

Cost Pools	Allocation Bases
Facilities: building rent, maintenance costs, utilities, tenant improvements, or any other similar costs related to the physical structure or housing the one-stop center.	Square footage occupied by each partner agency as compared to the total space, workstation usage by partners as compared to total workstations.
Telecommunications: monthly telephone costs, telephone system equipment, data lines etc.	Dedicated telephone units as compared to all units. Equal access to Internet for data costs.
Information Technology: shared equipment, software, IT maintenance costs, Internet access, and other costs.	Number of dedicated computers (including all necessary equipment) as compared to total.
Resource Center: costs of shared equipment, displays, computer learning, specialized software for computer learning, furniture, copier, fax machine, may also include related staff costs.	Equal access by customers of all programs results in equal costs for each partner. Customer attributable by partner program. Number of customers receiving services within the resource center.
Common Intake System: cost of developing common	Use of common data formats and bytes of information for

intake data formats, preparation and interview of customers and similar costs.	each program. Time study to determine amount of time required for specific program data compared to the time needed to complete the process for an individual.
One-Stop Center Management: cost of center director, receptionist, staff of the resource center.	Number of customers eligible for or receiving specific program services. Direct costs by partner. Total costs by partner as compared with total of all partners.
Shared Equipment and Supplies: staff copier, fax, associated supplies, furniture.	Usage by staff of each partner program. Occupancy (square footage) basis; numbers of work stations.
Common Basic Services: Staff and benefit costs	Time distribution (time sheets). Number of clients eligible for specific program. Weighted participant numbers.

Sample Budget Sheets

Cost Item	Cost Basis	Monthly Cost	Yearly Cost
Facilities			
Rent	Actual	$5,000	$60,000
Utilities (electric, gas, water, sewer)			
Building Maintenance			
Building Security			
Operations			
Telephone			
Data / Communications			
IT Maintenance			
Shared Equipment (assistive tech, assessment tech)			
Copiers			
Fax Machines			
Computers			
Other equipment used to serve all center customers.			
Equipment Maintenance			
Resource Center			
New AJC Signage			
Supplies			
Software			
Hardware			
Printed Materials			
Other (List each cost)			
Common Staff (position)			

Summary of Total Infrastructure Costs to be Shared by Co-located Partners	
Cost Category	**Total Cost**
Subtotal: Rental Costs	
Subtotal: Utilities & Maintenance Costs	
Subtotal: Equipment Costs	
Subtotal: Technology to Facilitate Access Costs	
Subtotal: Common Identifier Costs	
Total Infrastructure Costs for this AJC Network	

Proportionate Share: Infrastructure Costs this AJC Network				
Partner	**Compute Methodology**	**Partner Program Share in Cost**	**Source by Cash**	**Source by In-Kind**
#1		**$**	**$**	**$**
#2		**$**	**$**	**$**
# 3		**$**	**$**	**$**
Total Budget		**$**	**$**	**$**

Sample Share of Other Costs

SERVICES Optional partner agreement to share other AJC costs: initial intake, assessment of needs, appraisal of basic skills, identification of appropriate services to meet needs, and referrals to other AJC partners. This may include costs of personnel, technology, and tools that increase integrated service delivery through sharing of information and service delivery processes.		
Line Item	**Budget Detail**	**Cost**
		$
		$
	Total Budget:	$
Agreed upon cost allocation methodology to share these costs:		

Proportionate Share: Initial Intake, Assessment, Basic Skills Appraisal, Services, Referrals, etc.				
Partner	**Compute Methodology**	**Partner Share**	**Source by Cash**	**Source by In-Kind**
Adult		$	$	$
Dislocated Worker		$	$	$
Youth		$	$	$
Job Corps		$	$	$
YouthBuild		$	$	$
Wagner Peyser		$	$	$
Adult Education		$	$	$
Vocational Rehab		$	$	$
DBVI		$	$	$
SCSEP		$	$	$
TAA		$	$	$
JSVG		$	$	$
UI		$	$	$

BUSINESS SERVICES Optional partner agreement to share other AJC costs: Business Services, which may include costs related to a local or system business services team that has one or more partners or has delegated one partner to provide these services on behalf of the other partners.		
Line Item	**Budget Detail**	**Cost**
	Total Budget:	**$**
Agreed upon cost allocation methodology to share these costs:		

Proportionate Share: Initial Intake, Assessment, Basic Skills Appraisal, Services, Referrals, etc.				
Partner	**Compute Methodology**	**Partner Share**	**Source by Cash**	**Source by In-Kind**
Adult		$	$	$
Dislocated Worker		$	$	$
Youth		$	$	$
Job Corps		$	$	$
YouthBuild		$	$	$
Wagner Peyser		$	$	$
Adult Education		$	$	$
Vocational Rehab		$	$	$
DBVI		$	$	$
SCSEP		$	$	$
TAA		$	$	$
JSVG		$	$	$
UI		$	$	$

Please note: the one-stop financial management technical assistance guide offers several other budget sheets, tools, and example allocation bases and scenarios; links to this and other good resources are printed below.

State Funding Mechanism (SFM) Appeals Process

When the local area has informed the State that they are at an impasse regarding infrastructure cost sharing the State Funding Mechanism (SFM) will be applied. The SFM applies only to infrastructure costs.

Under the SFM, the Maine Department of Labor, in consultation with the chief elected officials, the local workforce board and the State workforce board, will determine each required partner's proportionate share of infrastructure costs for that local area, using guidelines pertaining to the State Funding Mechanism, which will be put forth for the Governor's review and approval as a final determination.

A required partner may appeal the final determination because of a claim that:

a. The Governor's determination is inconsistent with the infrastructure cost proportionate share requirements of 20 CFR 678.735;

b. The Governor's determination is inconsistent with the infrastructure cost contribution caps described in 20 CFR 678.738

1. An appeal must be made in writing within 21 days of the Governor's determination and must include specific evidence that the amount determined by the Governor is inconsistent with **a.** and/or **b.** above.

2. Written appeals must be submitted to:

Appeals
Maine Department of Labor
Bureau of Employment Services
55 State House Station
Augusta, ME 04333-0055

3. The appeal will be reviewed by the executive committee of the State workforce board and within 30 days of receipt, the appellant will receive a letter either denying or accepting the appeal.

4. If the appeal is found to be without merit, it will be denied, and no further action taken.

5. If the appeal is merited, the executive committee will make a revised determination. The executive committee may consult with the chief elected official and local board to attempt to negotiate a mutually agreed upon revised determination. The revised determination will only pertain to infrastructure cost sharing and will be presented to the State workforce board for review and approval.

6. Upon full approval of the State workforce board, the revised determination will be considered final throughout the cost sharing agreement period of duration, until such time as local area infrastructure cost sharing is renegotiated.

Resource Links:

- FAQs Infrastructure Cost Sharing - USDOL: https://www.doleta.gov/wioa/docs/FAQs-Infrastructure-Funding-Guidance-Dec-27-2016.pdf ;

- FAQs Infrastructure Cost Sharing - USDE: https://www2.ed.gov/about/offices/list/osers/rsa/wioa/one-stop-costs-faq.html
- One-Stop Comprehensive Financial Management Technical Assistance Guide Part I (2002) https://www.doleta.gov/grants/pdf/FinalTAG_August_02.pdf
- One-Stop Comprehensive Financial Management Technical Assistance Guide Part II (2011) https://www.doleta.gov/grants/pdf/TAG_PartII_July2011.pdf
- PM OCTAE 17-3: https://www2.ed.gov/about/offices/list/ovae/pi/AdultEd/octae-program-memo-17-3.pdf
- PY16-01 Change 1: MOU Policy:
- PY17-03 SFM Policy:
- Resource Sharing for WIA One-Stop Centers: Methodologies for Paying or Funding Each Partner Program's fair Share of Allocable Costs: https://www.gpo.gov/fdsys/pkg/FR-2001-05-31/pdf/01-13426.pdf
- RSA TAC – 17-03: https://www2.ed.gov/policy/speced/guid/rsa/subregulatory/tac-17-03.pdf
- Sample Infrastructure Cost Tool Kit: https://ion.workforcegps.org/resources/2017/03/23/13/30/Sample_MOU_Infrastructure_Costs_Toolkit
- TEGL 17-16 Infrastructure Cost Sharing: https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=4968

Inquiries pertaining to this policy may be addressed to:

State Workforce Board
120 State House Station
Augusta, Maine 04333-0120
207-621-5087 TTY users call Maine Relay 711
SWB.DOL@maine.gov