

# IOWA ONE-STOP OPERATING BUDGET & INFRASTRUCTURE FUNDING AGREEMENT (IFA): POLICY RECOMMENDATIONS FROM CORE PARTNER WORKING GROUP

The Core Partner Working Group has developed the following recommended policy updates to Iowa's current Memorandum of Understanding policy. The updates support the development and implementation of Infrastructure Funding Agreements and One-Stop Operating Budgets. The policy recommendations describe the types of changes to the MOU and the appropriate procedures for utilizing the State and Local Funding mechanisms.

Link to current IWD's current memorandum of understanding (MOU) policy:  
<https://epolicy.iwd.iowa.gov/Policy/Index?id=280>

## Guidance Requirements:

### § 678.705 What guidance must the Governor issue regarding one-stop infrastructure funding?

- (a) The Governor, after consultation with chief elected officials, the State WDB, and Local WDBs, and consistent with guidance and policies provided by the State WDB, must develop and issue guidance for use by local areas, specifically:
- (1) Guidelines for State-administered one-stop partner programs for determining such programs' contributions to a one-stop delivery system, based on such programs' proportionate use of such system, and relative benefit received, consistent with Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in [2 CFR part 200](#), including determining funding for the costs of infrastructure; and
  - (2) Guidance to assist Local WDBs, chief elected officials, and one-stop partners in local areas in determining equitable and stable methods of funding the costs of infrastructure at one-stop centers based on proportionate use and relative benefit received, and consistent with Federal cost principles contained in the Uniform Guidance at [2 CFR part 200](#).
- (b) The guidance must include:
- (1) The appropriate roles of the one-stop partner programs in identifying one-stop infrastructure costs;
  - (2) Approaches to facilitate equitable and efficient cost allocation that results in a reasonable cost allocation methodology where infrastructure costs are charged to each partner based on its

proportionate use of the one-stop centers and relative benefit received, consistent with Federal cost principles at [2 CFR part 200](#); and

(3) The timelines regarding notification to the Governor for not reaching local agreement and triggering the State funding mechanism described in [§ 678.730](#), and timelines for a one-stop partner to submit an appeal in the State funding mechanism.

## Authority

### ***Policy considerations:***

- WIOA requirements: Governor’s guidance in consultation with CEOs, State WDB and Local WDBs

### ***Current MOU policy***

- Not in current MOU policy
- Legal Authority also referenced at the beginning of MOU guide

### ***Recommended update:***

- ***Add*** (Based on Center Certification Process Guidance language): The Workforce Innovation and Opportunity Act (WIOA) requires that the Governor, in consultation with chief elected officials, the State Workforce Development Board (State WDB) and Local Workforce Development Boards (Local WDB), must develop and issue guidance for use by local areas for State-administered one-stop partner programs for determining contributions to a one-stop delivery system, based on such programs’ proportionate use and relative benefit received. IWD, as designated by the Governor, issues this guidance to assist local WDBs, chief elected officials, and one-stop partners in local areas in determining equitable and stable methods of funding the costs of infrastructure at one-stop centers.

## Key Definitions

### ***Current MOU policy***

- **Substantial change:** A more than 5%-10% deviation of any allocation percentages within the Infrastructure Funding Agreement (IFA)

### ***Recommended update:***

- ***Remove:*** Substantial change definition from current MOU policy
  - Key terms will be explained in policy and defined/explained in supporting guide

## One-Stop Partner Roles

### ***Policy considerations:***

- Governor’s guidance must include – the appropriate roles of the one-stop partner programs in identifying one-stop infrastructure costs

## ***Current MOU policy***

### **Required One-Stop Partners Roles and Responsibilities**

- The required partners are the entities responsible for administering the following programs and activities in the local area, including:
- Programs authorized under Title I of WIOA, including:
  - Adult, Dislocated Worker, and Youth programs
  - Job Corps
  - YouthBuild
  - Native American programs
  - Migrant and Seasonal Farmworker programs
- Wagner-Peyser Act Employment Service program
- Adult Education and Family Literacy Act program
- Vocational Rehabilitation programs
- Senior Community Service Employment program
- Carl D. Perkins Career and Technical Education Act career and technical education programs at the postsecondary level
- Trade Adjustment Assistance activities
- Jobs for Veterans State Grants programs
- Community Services Block Grant employment and training activities
- Housing and Urban Development employment and training activities
- Unemployment compensation programs
- Reentry Employment Opportunities programs
- Temporary Assistance for Needy Families

Each required partner must:

- Provide access to its programs or activities through the one-stop delivery system, in addition to any other appropriate locations, to include:
  - Having a program staff member physically present at the one-stop center; or
  - Having a staff member from a different partner program physically present at the One-Stop center appropriately trained to provide information to customers about the programs, services, and activities available through partner programs; or
  - Making available a direct linkage through technology to program staff who can provide meaningful information or services, which includes:
    - Providing a direct connection at the one-stop center, within a reasonable time, by phone or through a real-time web-based communication to a program staff member who can provide program information or services to the customer.
    - A direct linkage cannot exclusively be providing a phone number or computer web site or providing information, pamphlets, or materials.
  - Being physically and programmatically accessible to individuals with disabilities.
- Use a portion of funds for the IFA and other cost sharing agreements made available to the partner's program, in accordance to the relative benefit and proportionate use, and in accordance with the partner's authorizing statutes and regulations.

- Enter into an MOU with the Local WDB and chief lead elected official (CLEO) relating to the operation of the one-stop delivery system.
- Participate in the operation of the one-stop delivery system consistent with the terms of the MOU, requirements of the partner's statutes and regulations, the Federal cost principles, and all other applicable legal requirements.
- Provide representation on the State and Local WDBs as required by WIOA and participate in board standing committees as needed.

***Recommended update:***

- Update as needed based on feedback from required partner consultation regarding roles and participation in operation of one-stop delivery system.

## Local Process for Developing One-Stop Operating Budgets and Infrastructure Funding Agreements

***Policy considerations:***

- Governor's guidance must include – approaches to facilitate equitable and efficient cost allocation that results in a reasonable cost allocation methodology where infrastructure costs are charged to each partner based on its proportionate use of the one-stop centers and relative benefit received

***Current MOU policy***

- How the infrastructure of the system will be funded through an IFA. The IFA must use a cost allocation methodology that demonstrates how costs are charged to each partner in accordance to the relative benefit and proportionate use, and in accordance with the partner's authorizing statutes and regulations. The MOU must contain the following information in regards to IFA's:
  - The period of time in which the IFA is effective. This may be a different time period than the duration of the MOU;
  - Identification of an infrastructure and shared services budget that will be periodically reconciled against actual costs incurred and adjusted accordingly to ensure that it reflects a cost allocation methodology that demonstrates how infrastructure costs are charged to each partner in proportion to its use of the one-stop center and relative benefit received, and that complies with 2 CFR part 200 (or any corresponding similar regulation or ruling);
  - Identification of all one-stop partners, Chief Elected Officials (CEOs), and Local Workforce Development Board (WDB) participating in the IFA;
  - Steps the Local WDB, CEOs, and one-stop partners used to reach consensus or an assurance that the local area followed the guidance for the State funding process;
  - A description of the process to be used among partners to resolve issues during the MOU duration period when consensus cannot be reached; and
  - A description of the periodic modification and review process to ensure equitable benefit among one-stop partners.
- How services and the operating costs of the system will be funded through other cost sharing agreements. In addition to jointly funding infrastructure costs, One-Stop partners must use a portion of

funds made available under their programs' authorizing Federal law to pay the additional costs relating to the operation of the one-stop delivery system. These other costs must include applicable career services and may include other costs, including shared services. Shared costs must be allocated according to the proportion of benefit received by each of the partners, consistent with the Federal law authorizing the partner's program, and consistent with all other applicable legal requirements, including Federal cost principles requiring that costs are allowable, reasonable, necessary, and allocable. The MOU must contain the following information in regards to other cost sharing agreements:

- The period of time in which the IFA is effective. This may be a different time period than the duration of the MOU;
  - Identification of an infrastructure and shared services budget that will be periodically reconciled against actual costs incurred and adjusted accordingly to ensure that it reflects a cost allocation methodology that demonstrates how infrastructure costs are charged to each partner in proportion to its use of the one-stop center and relative benefit received, and that complies with 2 CFR part 200 (or any corresponding similar regulation or ruling);
  - Identification of all one-stop partners, Chief Elected Officials (CEOs), and Local Workforce Development Board (WDB) participating in the IFA;
  - Steps the Local WDB, CEOs, and one-stop partners used to reach consensus or an assurance that the local area followed the guidance for the State funding process;
  - A description of the process to be used among partners to resolve issues during the MOU duration period when consensus cannot be reached; and
  - A description of the periodic modification and review process to ensure equitable benefit among one-stop partners.
- Any other provisions agreed to by the parties that are consistent with the authorizing statutes and regulations of One-Stop partner programs and the WIOA regulations.

### **Proposed Revision**

#### ***Infrastructure Funding and Other Cost-sharing Agreements***

The IFA must use a cost allocation methodology that demonstrates how costs are charged to each partner in accordance with the partner's relative benefit and proportionate use, and in accordance with the partner's authorizing statutes and regulations. ***Examples of cost allocation methodology include number of customers served, square footage used or number of full-time equivalent staff (FTEs).***

In addition to jointly funding infrastructure costs, one-stop partners must use a portion of funds made available under their programs' authorizing Federal law to pay the additional costs relating to the operation of the one-stop delivery system. These other costs must include applicable career services and may include other costs, including shared services. Shared costs must be allocated according to the proportion of benefit received by each of the partners, consistent with the Federal law authorizing the partner's program, and consistent with all other applicable legal requirements, including Federal cost principles requiring that costs are allowable, reasonable, necessary, and allocable.

#### ***For Infrastructure Funding and other cost-sharing agreements, the MOU must contain the following:***

- The period of time in which the IFA is effective. This may be a different time period than the duration of the MOU;

- Identification of an infrastructure and shared services budget that will be periodically reconciled against actual costs incurred and adjusted accordingly to ensure that it reflects a cost allocation methodology that demonstrates how infrastructure costs are charged to each partner in proportion to its use of the one-stop center and relative benefit received, and that complies with 2 CFR part 200 (or any corresponding similar regulation or ruling);
- Identification of all one-stop partners, Chief Elected Officials (CEOs), and Local Workforce Development Board (WDB) participating in the IFA;
- Steps the Local WDB, CEOs, and one-stop partners used to reach consensus or an assurance that the local area followed the guidance for the State funding process;
- A description of the process to be used among partners to resolve issues during the MOU duration period when consensus cannot be reached; and
- A description of the periodic modification and review process to ensure equitable benefit among one-stop partners.
- Any other provisions agreed to by the parties that are consistent with the authorizing statutes and regulations of One-Stop partner programs and the WIOA regulations.

## Reconciliation

### ***Current MOU policy***

- The reconciliation of the budget and IFA will not require an amendment to the MOU, but it may require an adjustment to the IFA if there is a substantial change. An amendment to the IFA will not require an amendment to the MOU. However, an IFA amendment will require signatures of the Local WDB chair, CLEO, and all local required partners.
- During reconciliation, the data for all IFAs will be generated and reviewed for statistical fluctuations. Data will be shared with local partners. If there is a substantial change, local partners can request that the IFA be amended to more accurately reflect the actual allocation of infrastructure costs in the location. Examples of how this could happen include but are not limited to: a number of staff either enter or exit the location; the size of the leased space decreases or increases; many computers that use the internet are installed at the location.

### ***Proposed Revision***

The one-stop operating budget must be periodically reconciled against actual costs incurred and adjusted accordingly. As part of the MOU development process, local areas must develop a process for periodic review and reconciliation of the one-stop operating budget against actual costs incurred (ex. monthly or quarterly, but no less frequently than every 6 months). The budget must be adjusted accordingly through an amendment, modification, or renewal based on the nature of the adjustment. Local areas must ensure that a current MOU is submitted to IWD for permanent file when changes are made.

## Submission

### ***Current MOU policy***

- Copies of signed MOUs, including IFA's and other cost sharing agreements, must be submitted to: [WIOAgovernance@iwd.iowa.gov](mailto:WIOAgovernance@iwd.iowa.gov).

### ***Recommended update:***

- Note: All signatory partners should review internal processes for reviewing all MOU components and signing for development, amendment and renewal. (Not necessary to be added as policy language).

## Modification

### ***Current MOU policy***

#### **MOU Amendment**

WIOA requires that the MOU contain provisions that specify when amendment of the MOU is required during the agreed upon MOU period. The circumstances listed below will require an amendment to the MOU. The Local WDB and partners may agree to additional circumstances that will prompt the amendment process.

- The addition or removal of a partner entity.
- A change of a One-Stop Operator, the physical location of a One-Stop center, or the administrative structure of a local workforce development system.
- A substantial change that significantly alters negotiated terms of the MOU, such as changes in shared services, service delivery, referral methods, or cost sharing.

Amendments that do not impact negotiated terms (e.g., the addition of another partner entity that decreases partner costs and does not impact shared services or the separation of a partner that has no impact on shared costs or services) need only be signed by the Local WDB chair, CLEO, and the affected partner(s).

Any changes to the negotiated terms that affect all parties must be signed by all parties and may require re-negotiation.

The reconciliation of the budget and IFA will not require an amendment to the MOU, but it may require an adjustment to the IFA if there is a substantial change. An amendment to the IFA will not require an amendment to the MOU. However, an IFA amendment will require signatures of the Local WDB chair, CLEO, and all local required partners.

During reconciliation, the data for all IFAs will be generated and reviewed for statistical fluctuations. Data will be shared with local partners. If there is a substantial change, local partners can request that the IFA be amended to more accurately reflect the actual allocation of infrastructure costs in the location. Examples of how this could happen include but are not limited to: a number of staff either enter or exit the location; the size of the leased space decreases or increases; many computers that use the internet are installed at the location.

Regardless of whether all parties have to sign, the MOU should include a process to ensure that all parties receive advance notice of the amendment and are provided the opportunity to comment. The MOU should also include a provision to ensure that each party receive a copy of each executed MOU amendment and updated budget and/or IFA, as applicable, within a timely manner, not to exceed 10 business days.

### ***Proposed Revision***

The MOU must include description of the periodic modification and review process to ensure equitable benefit among one-stop partners. The MOU may be changed through processes of modification, amendment, or renewal. Triggers for these types of change may include the annual review, periodic reconciliation or request from one of the signatories.

- **Amendment:** Amendments are for adding, deleting, or editing terms and provisions that improve the contract on behalf of the parties and change the spirit of the agreement. All parties will need to review and agree to the elements of the MOU that have been changed and re-sign the MOU.
- **Modification:** A modification is a change that does not alter the overall meaning or substance of the provisions in the agreement. A modification will require parties to review and agree to the elements that change but does not require new signatures of the MOU.
- **Renewal:** If renegotiation will be required from all partners, the MOU must follow the process for renewal. Renewal requires all parties to review and agree to all elements of the MOU and re-sign the MOU.

### **MOU Amendment and Modification**

**Annual review and periodic reconciliation may result in the identification of changes to be made to the MOU including the IFA or OSOB. In developing the process for periodic modification and review, the Local WDB and partners may agree to circumstances that will prompt the amendment process. An amendment is triggered by a substantial change that requires renegotiation. This might include adding or removing a shared cost or service from the one-stop operating budget or a change in a partner's engagement in a center.**

The MOU should include a process to ensure that all parties receive advance notice of the amendment and are provided the opportunity to comment. The MOU should also include a provision to ensure that each party receives a copy of each executed MOU amendment and updated budget and/or IFA, as applicable, within a timely manner, **as established in the local process for periodic modification.**

**If a non-substantial change is identified and renegotiation is not required, a modification may be made to the MOU. All signatories should be made aware of the modification, as established in the local process for periodic modification. The MOU does not need to be re-signed for a modification.**

## **Renewal**

### ***Current MOU policy***

#### **MOU Renewal**

WIOA requires that the MOU contain provisions that specify when the process and timeframe for renewal of the MOU during the conclusion of each MOU period. MOUs are required to be renewed no less than every three (3) years by all Local WDBs and partners. All parties must meet at least once annually, to review the current MOU, budget, and IFA to determine if re-negotiation of terms and/or costs is necessary.

For the renewal MOU period, the IFA must be negotiated and executed concurrently with the MOU. If the IFA cannot be submitted as finalized by the due date, the existing IFA may remain in place for (one) 1 quarter.

All renewal MOUs must be executed by May 31 of the state fiscal year immediately preceding the state fiscal year in which it will take effect. If an MOU is in process, but all signatures will not be acquired by the May 31 deadline, Local WDBs designee must provide written notice electronically to [WIOAgovernance@iwd.iowa.gov](mailto:WIOAgovernance@iwd.iowa.gov) that signatures are forthcoming and provide an estimated date of submission.

If the MOU is not submitted and finalized in a timely manner as described above, the existing MOU with the IFA may remain in place for (one) 1 quarter. If the local board reports that an impasse cannot be resolved in regards to the renewal of the IFA the State Funding Mechanism (SFM) replaces any IFA in place.

## ***Proposed Revision***

### **MOU Renewal**

WIOA requires that the MOU contain provisions that specify when the process and timeframe for renewal of the MOU during the conclusion of each MOU period. MOUs are required to be renewed no less than every three (3) years by all Local WDBs and partners. ***Renewal will also be required when there are substantial changes to the MOU that must be renegotiated by all partners. Substantial changes that require renewal of the MOU include addition or removal of one-stop partner programs and the election of a new chief elected official. Renewal requires all parties to review and agree to all elements of the MOU and re-sign the MOU.***

All parties must meet at least once annually to review the current MOU, OSOB, , and IFA to determine if re-negotiation of terms and/or costs is necessary. ***At the annual review, the MOU may be changed through processes of modification, amendment, or renewal.***

For the renewal MOU period, the IFA must be negotiated and executed concurrently with the MOU. If the IFA cannot be submitted as finalized by the due date, the existing IFA may remain in place for (one) 1 quarter.

All renewal MOUs must be executed by May 31 of the state fiscal year immediately preceding the state fiscal year in which it will take effect. If an MOU is in process, but all signatures will not be acquired by the May 31 deadline, Local WDBs designee must provide written notice electronically to [WIOAgovernance@iwd.iowa.gov](mailto:WIOAgovernance@iwd.iowa.gov) that signatures are forthcoming and provide an estimated date of submission.

If the MOU is not submitted and finalized in a timely manner as described above, the existing MOU with the IFA may remain in place for **up to** one quarter. ***If the Local WDB reports that an impasse in infrastructure funding negotiations, the State Funding Mechanism (SFM) may be triggered.***

## Timeline

### ***Current MOU policy***

- All renewal MOUs must be executed by May 31 of the state fiscal year immediately preceding the state fiscal year in which it will take effect.
- If the MOU is not submitted and finalized in a timely manner as described above, the existing MOU with the IFA may remain in place for (one) 1 quarter.
- MOUs are required to be renewed no less than every three (3) years by all Local WDBs and partners.
- All parties must meet at least once annually, to review the current MOU, budget, and IFA to determine if re-negotiation of terms and/or costs is necessary.

### ***Recommended update:***

- *Remove May 31 deadline – local areas will establish process and timeline for developing, reviewing, modifying and executing compliant MOUs and ensure submission of changes to IWD.*

## Expectations for Local Negotiation

### ***Current MOU policy***

#### **Negotiating MOUs**

WIOA emphasizes full and effective partnerships between Local WDBs, CEOs, and One-Stop partners. Local WDBs and partners must enter into good-faith negotiations. Local WDBs, CEOs, and One-Stop partners may also request assistance from a State agency responsible for administering the partner program, the Governor, State WDB, or other appropriate parties on other aspects of the MOU.

Local WDBs and One-Stop partners must establish, in the MOU, how they will fund the infrastructure costs and other shared costs of the One-Stop centers. If agreement regarding infrastructure costs is not reached when other sections of the MOU are ready, an interim IFA may be included instead in order to allow the partner programs to operate in the One-Stop centers. The interim IFA must be finalized within 6 months of when the MOU is signed. If the interim IFA is not finalized within that time frame, the Local WDB must notify the Governor.

Once agreement on infrastructure funding is reached, the Local WDB and One-Stop partners must amend the MOU to include the infrastructure funding of the One-Stop centers.

The Local WDB must report to the State WDB, Governor, and relevant State agency when MOU negotiations with One-Stop partners have reached an impasse.

- The Local WDB and partners must document the negotiations and efforts that have taken place in the MOU. The State WDB, One-Stop partner programs, and the Governor may consult with

- the appropriate Federal agencies to address impasse situations related to issues other than infrastructure funding after attempting to address the impasse. Impasses related to infrastructure cost funding must be resolved using the State infrastructure cost funding mechanism.
- The Local WDB must report failure to execute an MOU with a required partner to the Governor, State WDB, and the State agency responsible for administering the partner's program. Additionally, if the State cannot assist the Local WDB in resolving the impasse, the Governor or the State WDB must report the failure to the Secretary of Labor and to the head of any other Federal agency with responsibility for oversight of a partner's program.

### **Proposed Revision**

#### **Negotiating MOUs**

WIOA emphasizes full and effective partnerships between Local WDBs, CEOs, and one-stop partners. Local WDBs and partners must enter into good-faith negotiations. Local WDBs, CEOs, and one-stop partners may also request assistance from a State agency responsible for administering the partner program, the Governor, State WDB, or other appropriate parties on other aspects of the MOU. *If a local negotiation impasse persists, assistance may be requested from the US Department of Labor Region V office to preserve the local funding mechanism.*

The Local WDB must report to the State WDB, Governor, and relevant State agency when MOU negotiations with one-stop partners have reached an impasse.

- The Local WDB and partners must document the negotiations and efforts that have taken place in the MOU. The State WDB, one-stop partner programs, and the Governor may consult with the appropriate Federal agencies to address impasse situations related to issues other than infrastructure funding after attempting to address the impasse. Impasses related to infrastructure cost funding must be resolved using the *State funding mechanism (SFM) for infrastructure cost funding.*
- The Local WDB must report failure to execute an MOU with a required partner to the Governor, State WDB, and the State agency responsible for administering the partner's program. Additionally, if the State cannot assist the Local WDB in resolving the impasse, the Governor or the State WDB must report the failure to the Secretary of Labor and to the head of any other Federal agency with responsibility for oversight of a partner's program.

## **State Funding Mechanism**

### **Policy considerations:**

- Governor's guidance must include – the timelines regarding notification to the Governor for not reaching local agreement and triggering the State funding mechanism described in [§ 678.730](#), and timelines for a one-stop partner to submit an appeal in the State funding mechanism.
- SFM appeal process must be described in state plan – policy changes will need to be updated/reflected in state plan.

### ***Current MOU policy***

The Local WDB must report to the State WDB, Governor, and relevant State agency when MOU negotiations with One-Stop partners have reached an impasse.

- The Local WDB and partners must document the negotiations and efforts that have taken place in the MOU. The State WDB, One-Stop partner programs, and the Governor may consult with the appropriate Federal agencies to address impasse situations related to issues other than infrastructure funding after attempting to address the impasse. Impasses related to infrastructure cost funding must be resolved using the State infrastructure cost funding mechanism.
- The Local WDB must report failure to execute an MOU with a required partner to the Governor, State WDB, and the State agency responsible for administering the partner's program. Additionally, if the State cannot assist the Local WDB in resolving the impasse, the Governor or the State WDB must report the failure to the Secretary of Labor and to the head of any other Federal agency with responsibility for oversight of a partner's program.

### ***Iowa's State Plan (2022)***

Any Local Workforce Development Board (WDB) or One-Stop required partner may appeal for cause, within 10 business days, the Governor's determination regarding the portion of funds (or non-cash contributions) it is to provide for One-Stop infrastructure costs.

WIOA stipulates that the State mechanism allocation determination may be appealed only if the determination is inconsistent with the requirements of WIOA sec. 121(h)(2)(E). The Final Rule further limits admissible grounds for an appeal to three possibilities. The appellant must make a case that the State's determination is inconsistent with the:

- Proportionate-share requirements
- Cost-contribution limitations
- Cost-contribution caps

To be officially received, an appeal must fully contain and evidence the following:

- An introduction identifying the appellant and designating the correspondence letter as a formal appeal.
- Full citations from WIOA or the corresponding regulations that support the appeal.
- Identify the basis for the appeal.
- Signature and date of the appellant.

The appeal must be submitted electronically to: [WIOAgovernance@iwd.iowa.gov](mailto:WIOAgovernance@iwd.iowa.gov).

The state shall review the appeal and documentary evidence submitted by the board or onestop partner for the grounds that the governor's determination was inconsistent with proportionate-share requirements, cost-contribution limitations, or cost-contribution caps. Additional information may be requested or an investigation conducted if necessary. A written response/decision will be issued within 20 business days of the receipt of the appeal.

Appellants who do not receive a decision within 20 business days or who received an adverse decision may file an appeal with the State WDB. The appeal must be filed in writing within 10 business days after the adverse decision was received or if no decision is received. Upon receiving an appeal, the State WDB will review the appeal and issue a final decision within 20 business days after the appeal was filed.

The appeals process described in this plan can also be found in Iowa's WIOA Administration and Governance Policy.

## ***Proposed Revision***

### **State Funding Mechanism**

Each entity that carries out a program or activities through a local one-stop center must use a portion of the funds available for the program and activities to maintain the one-stop delivery system, including payment of the infrastructure costs of one-stop centers (WIOA Sec. 121(b)(1)(A)(ii) [20 CFR 678.738](#)). Failure by one (1) required partner to reach consensus regarding infrastructure costs will trigger the implementation of the state funding mechanism (SFM), even if all other required partners agree on the terms of the IFA.

Under the SFM, the Governor determines partner contributions in accordance with 20 CFR 678.730-678.738 and subject to the funding caps outlined in 20 CFR 678.738(c). Native American programs and additional partners are excluded from the SFM. The Governor may direct the Local WDB , CEOs , and required partners into renegotiations.

### **Notification and Negotiation Materials**

If the Local WDB , CEOs , and the local partners cannot reach consensus on the one-stop center's infrastructure costs and/or the amounts to be paid by each partner, the Local WDB must notify the Governor of the impasse. Notification must be given by submitting an email to [WIOAgovernance@iwd.gov](mailto:WIOAgovernance@iwd.gov). The notification must be submitted at least three months prior to the projected MOU start date and include appropriate and relevant materials and documents used in the negotiations. At a minimum, these materials should include:

- The Local WIOA plan,
- The cost allocation methodology or methodologies proposed by the partners to be used in determining the proportionate share,
- The proposed amounts or budget to fund infrastructure costs,
- The amount of partner funds included,
- The type of funds (cash, non-cash, and third-party in-kind contributions) available
  - Including all documentation on how Partners valued non-cash and third-party in-kind contributions consistent with 2 CFR 200.306
- Any proposed or agreed on American Job Center budgets (for individual centers or a network of centers),
- Any partially agreed upon, proposed, or draft IFAs, and
- Additional materials as appropriate.

### **Governor's Determinations and Calculations**

After notification is received, the Governor will:

- Determine one-stop center infrastructure budget(s),
- Establish cost allocation methodology(s),
- Determine partners' proportionate shares,
- Calculate statewide caps,
- Assess the aggregate total of infrastructure contributions as it relates to the statewide cap, and
- Adjust allocations.

Once all determinations and calculations are completed, the Governor will notify the Local WDB Chair (or designee) of the final decision and provide a revised IFA for execution by the parties. The IFA becomes effective as of the date of signing by the final signatory.

### **Appeals Process**

Any Local Workforce Development Board (WDB) or One-Stop required partner may appeal for cause, within 10 business days, the Governor's determination regarding the portion of funds (or non-cash contributions) it is to provide for One-Stop infrastructure costs.

WIOA stipulates that the State mechanism allocation determination may be appealed only if the determination is inconsistent with the requirements of WIOA sec. 121(h)(2)(E). The Final Rule further limits admissible grounds for an appeal to three possibilities. The appellant must make a case that the State's determination is inconsistent with the:

- Proportionate-share requirements
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To be officially received, an appeal must fully contain and evidence the following:

- An introduction identifying the appellant and designating the correspondence letter as a formal appeal.
- Full citations from WIOA or the corresponding regulations that support the appeal.
- Identify the basis for the appeal.
- Signature and date of the appellant.

The appeal must be submitted electronically to: [WIOAgovernance@iwd.iowa.gov](mailto:WIOAgovernance@iwd.iowa.gov).

The state shall review the appeal and documentary evidence submitted by the board or one-stop partner for the grounds that the governor's determination was inconsistent with proportionate-share requirements, cost-contribution limitations, or cost-contribution caps. Additional information may be requested, or an investigation conducted if necessary. A written response/decision will be issued within 20 business days of the receipt of the appeal.

Appellants who do not receive a decision within 20 business days or who received an adverse decision may file an appeal with the State WDB. The appeal must be filed in writing within 10 business days after the adverse decision was received or if no decision is received. Upon receiving an appeal, the State WDB will review the appeal and issue a final decision within 20 business days after the appeal was filed.

## IWD contact

### ***Current MOU policy***

- Not specified in policy
- MOU Guidance - Should you have questions about the MOU Guidance, MOU Template, or the MOU process, please submit an email to the WIOA Core Partner Working Group at [WIOAGovernance@iwd.iowa.gov](mailto:WIOAGovernance@iwd.iowa.gov). Questions and answers will be posted regularly to the SWDB website.

### ***Recommended update:***

- Add MOU Guide language to policy?

## Attachments

### ***Current MOU policy***

- No policy attachments
- MOU Guidance and Template are posted on <https://www.iowawdb.gov/lwdb-information>

### ***Recommended update:***

- Combined MOU/IFA Guide and templates issued with policy as attachments
- Attachment – list of state partner programs and contacts

## Considerations for Guide and Training

- Case study scenarios or examples that may be specific to common or challenging Iowa AJC circumstances?