

## ATTACHMENT N

### Massachusetts Fiscal Year 2012 Local Annual WIA Plan

#### FY 2012 Integrated Budget Instructions

A majority of the programs administered through the Department of Career Services (DCS) are identified as required partner programs in the Workforce Investment Act of 1998 or are designated as affiliated partners by the Commonwealth. With the exception of Wagner-Peyser, the funds available from these program streams are designated for specific labor exchange or customer service functions such as services to Veterans, Unemployment Insurance recipients and Dislocated Workers. *Required partners under WIA must contribute a fair share of the operating costs of the One-Stop delivery system proportionate to the use of the system by individuals attributable to the partner's program (§662.270 WIA Interim Final Rule).*

**The following items identify commitments, changes or enhancements for FY 2012 regarding the submission of fiscal planning documents and tools:**

1. Requirement to submit a Budget Narrative (line item explanations) and Cost Allocation Basis Summary page
2. Governor's budget for One-Stop Career Centers unsigned as of writing of plan instructions; amount TBD.
3. Governor's budget for WIB WTF funds unsigned as of writing of the plan instructions; amount TBD.
4. 80/20 split between regional and state level Wagner-Peyser funding will be continued for FY12.
5. Carry-in of unexpended FY11 Wagner Peyser and WIA Title I funds to be planned as separate columns on the Integrated Budget.
6. Carry-out line item label has been changed to "unallocated balance."
7. DCS Salary Sheets have been reviewed and processed based upon local input.
8. MOSES Steering Committee recommendations from FY08 have been updated with FY12 allocation methodology to be used for local MOSES share.
9. FY12 Integrated Budget approvals will be issued following negotiations with each area based on the receipt of an acceptable Cost Allocation methodology.
10. A separate line, labeled "WIB," has been added to the Integrated Budget

template to identify WIB expenses.

#### **A. Budget Narrative**

- A budget narrative template has been provided on TAB 3 of the Integrated Budget template. The new format is intended to provide brief explanations that will clarify exactly what is included in each line item.
- Utilizing this format, the line item explanations should be provided for all funds listed in the FY2012 Annual Integrated Budget.
- The basis for allocating types of costs will be supplied in a separate column as part of the budget narrative.
- The template will ensure uniformity and expedite the FY2012 Annual Integrated Budget review and approval process.

#### **IMPORTANT:**

Accuracy and completeness of your FY 2012 plan, including necessary line item and cost basis explanations will expedite the review and approval process. If Resource Sharing is utilized, sufficient detail from the Resource sharing plan should be included.

The FY12 Contracts will be awarded as funds become available; initial contracts will not be held back pending approval of the Integrated Budget. Clarification and negotiations may be required before Integrated Budget approval will be issued. DCS fiscal staff will work with local fiscal staff toward information clarification and resolution of any issues beginning in July and continuing as long as necessary to complete the budget approval process for all areas.

#### **B. Integrated Budget – Fund Sources**

The Integrated Budget instruction provides the local Workforce Investment Board (LWIB) guidelines for the use of DCS-administered funds during FY 2012. All funding must be expended in accordance with requirements of the source program and in a manner consistent with these guidelines. All allocations are subject to change based on decisions made at either the state and/or federal level. Should changes occur, opportunity will be provided to amend projected spending plans.

Local negotiators for DCS should bear in mind that the operation of each One-Stop Career Center constitutes a partnership between DCS and the LWIB. Whether in a collaborative or competitive model, the negotiators have a responsibility to ensure that resources available from DCS are utilized based upon resource-sharing concepts and a fair and responsible allocation methodology. This methodology must maximize all resources available to the Center from all partners, avoid duplication, and improve the efficiency and quality of employment and training services available to both individuals and employers.

The Annual Integrated Budget submitted as part of the MOU between DCS and the LWIB will delineate the planned expenditures for each category (Personnel, Training, Support Services, Premises and Non-Personnel Support) attributable to each funding stream and become part of the integrated agreement to be submitted by the LWIBs in their local plans.

**Carry-in Note (FY11 – FY12):**

Where carry-in is authorized (**Wagner-Peyser and WIA Title I**), LWIBs should ensure the accuracy of carry-in data, reconcile any plans that do not equal allocations, and identify steps to maximize the use of available funds while avoiding any possible overspending.

- 1 **WIA Title I** – Please use either the Fiscal carry in estimates submitted to DCS on April 29, 2011, or your own estimates, if more realistic.
- 2 **Wagner-Peyser** - State estimates will be supplied to Fiscal Officers and DCS local area M-3 staff by Friday, June 3, 2011.

**1. Wagner-Peyser**

Wagner-Peyser funds form the basis for the universal availability of labor exchange services within the One-Stop Career Center (OSCC) system. Each of the sixteen LWIBs receive an allocation of Wagner-Peyser 90% and 10% funds.

For the past several years 80% of the Wagner-Peyser funds allotted to the State have been allocated to the field through formula. This percentage will be in effect for FY 2012.

The allocation methodology for Wagner-Peyser 90% and 10% funds is based upon two factors:

- 1 Number of unemployed individuals in the Local Workforce Investment Area during 2010 (1/3 weight).
- 2 Number of individuals in the area's labor force during 2010 (2/3 weight).

Wagner-Peyser allocations to be used to prepare your area's FY 2012 Annual Integrated Budget were disseminated via email on May 23, 2011 and are also included in this issuance as Attachment S.

**2. Wagner-Peyser Carry In**

As agreed, carry-in of unexpended FY11 Wagner Peyser funds into FY12 is authorized at the discretion of the LWIB area.

An estimate of Wagner-Peyser carry-in 90% and 10% funds will be supplied through Fiscal Officers. For contracted carry-in, please use either carry in estimates submitted to DCS on April 29, 2011, or your own estimates, if more realistic.

### **3. Veterans Services**

Services for Veterans are provided through the Disabled Veterans Outreach Program (DVOP) and Local Veterans Employment Representatives (LVER) and are generally required to be available in each region. These services must be provided by DCS personnel who meet the criteria for these positions.

In FY2012, the monetary resources for the provision of staffing for Veterans services will be centrally managed by DCS. The dollar amount for the FTEs in each area will be shared with the local area via DCS staffing sheets. WIBs should budget and will recover NPS costs according to an acceptable cost allocation methodology as put forth by the local area and negotiated with DCS.

Premises costs related to Veterans services are available as a charge to FY2012 Veterans Employment and Training Administration funding.

### **4. WIA Title I**

Please ensure that the fiscal plan corresponds with the program plan, i.e. number of participants, training enrollments, etc. Please utilize planning tools and provide an explanation in Budget Narrative Tab 3 as to how funds are budgeted in each line item for Adult, Dislocated Worker and Youth.

### **5. Unemployment Insurance**

Unemployment Insurance (UI) information regarding the allocation of FY12 DUA-supported FTEs for walk-in services may have changed from current levels based upon transfers to call centers, etc. Any questions concerning an area's DUA FTE allocation should be directed to the DCS regional manager.

The Integrated Budget has been revised to require 3 columns to distinguish requested DUA funding (Walk-in, Hearings and Other). Costs entered in these columns must be explained in the Budget Narrative Tab of the IB and supported by the appropriate cost allocation basis on the same tab. All UI costs will be evaluated by DUA and the use of DUA funding will require prior DUA approval.

In FY 2012 the monetary resources for the provision of Staffing for UI services will be centrally managed by DCS (under agreement with DUA). The dollar amount for the FTEs in each area will be shared with the local area via DCS staffing sheets. WIBs should budget and will recover NPS costs according to an acceptable cost allocation methodology as reflected in the cost allocation basis column of the budget narrative submitted in the plan by the local area and negotiated with DUA via DCS.

## **6. State One-Stop Funds**

Due to the delays in the legislative process, the exact dollar amount available for this purpose has not yet been determined.

For FY 2012 planning purposes WIBs should budget at \$0. Allocations will be released as soon as possible

Although special restrictions are not placed on these funds, it is important that awarded funds are used for Career Center operations in compliance with the LWIB's Local Annual WIA Plan.

Please note: The FY2012 local plan narrative requires an explanation of the use of state One-Stop Career Center funds in your local area with particular regard to jobseeker and employer services. These explanations will form the basis of language used to support the request for future continuation of these funds.

## **7. National Emergency Grants**

National Emergency Grant (NEG) funds should be included, as applicable, in the Integrated Budget. In a continuation of the change instituted in 2009 these awards should be listed in separate columns. Information should be commensurate with the planned level of expenditures for the period July 1, 2011 through June 30, 2012 as documented in the project approved Implementation Schedules.

## **8. WIB Grant** (formerly referred to as "Workforce Training Funds")

The availability of funding for each LWIB has not yet been clarified for FY 2012. These funds will be allocated if authorized. The FY 2012 Integrated Budget includes separate columns for the budgeting of WIB funds.

If these funds are awarded, LWIBs will be required to provide a narrative explanation that clearly identifies the purpose for which these funds will be utilized in FY 2012. While these funds are made available with a level of flexibility as to their use, the explanation should demonstrate a direct correlation to activities that are consistent with federal and state priorities for the workforce investment system.

### **C. Integrated Budget – Cost Categories**

#### **1. Personnel Costs**

The DCS Field Salary sheets were shared and returned with appropriate local input.

#### **2. Premises Costs**

*Funds are included in the FY 2012 allocations to pay the costs of premises. These costs include:*

- Rent for leased facilities (or, in a case where the career center is in a facility owned and managed by DCS/DUA, operating costs).
- Security Systems (including equipment, installation and security system maintenance and monitoring).
- Utilities (gas, oil, electricity, water, and sewage) if not included in the rent.
- Building repairs and maintenance (only in a case where the career center is in a facility owned and managed by DCS/DUA).
- Building maintenance (janitorial, pest control, trash, signage, etc.) if not included in the rent.
- Landscaping and snow removal (only in a case where the career center is in a facility owned and managed by DCS/DUA).
- Renovation and/or modular furniture.

**DCS/DUA owned or leased buildings:**

For those locations owned or leased by DCS/DUA, the estimated total FY2012 annual premises operating cost to be used in the preparation of your budget is delineated in the lease attachment. In addition to the costs delineated in the attachment there may be premises-related capital expenditures. Funds to be provided through DCS/DUA will be retained and paid centrally. Funds from sources other than those administered through DCS/DUA must be transferred to DCS/DUA on a monthly basis to ensure lease obligations are met.

**Non-DCS/DUA owned or leased buildings:**

For premises costs for buildings which are non-DCS/DUA owned or leased, DCS/DUA will provide proportional support for its staff as allocated locally. The total estimated premises costs must be detailed in a format consistent with the attachments provided for DCS/DUA owned/leased properties.

**Premises-related capital expenditures:**

Facilities related “capital projects” (e.g. renovation work, including installations, removals, movers, cabling, build-outs, large scale replacements of furnishings, layout redesign, etc.) should be planned and budgeted in the appropriate categories. If the building is owned or leased by DCS/DUA, the DCS/DUA Facilities Management Department must be contacted.

**Allocating premises costs:**

The cost of premises must be allocated among all partners and tenants in the OSCC consistent with the standard cost allocation methodologies, cost principles, Federal guidelines and the Workforce Investment Act.

LWIBs must utilize a cost allocation methodology that is compliant with Federal regulations.

As in the past, DCS will provide assistance to all LWIBs and their partners in developing a cost allocation plan pertinent to their local area.

### **3. Non-Personnel Costs**

The practice that began in FY08, in which DCS transferred procurement and management responsibility for specific NPS categories to local WIB areas, will continue for the FY12 period.

The areas that have already been transferred and are to be budgeted locally:

- Office Supplies (Paper, Writing materials, etc) (July 1, 2007)
- Office Furniture (July 1, 2007)
- Memberships (July 1, 2007)
- Postage (July 1, 2007)
- Postage Meter Rentals (July 1, 2008)
- Copiers (As of April 1, 2008)
- Fax machines & Maintenance (July 1, 2007)
- Bottled Water (July 1, 2007)
- Personal Computers (July 1, 2007)

The Following NPS costs will continue to be managed and retained by the State (above the line on IB):

- Premises Leases & Maintenance (Attachment Z)
- Telephone Lines (Attachment Y)
- Data Circuits (Attachment ZZ)
- MOSES Fee (Attachment X)

Costs supplied locally must be budgeted consistent with local budgeting processes and procedures and local procurement rules.

#### **Telephone Services:**

The annualized figure should be used as the FY 2012 planning estimate. LWIBs should include the estimated amounts as funds to be retained by DCS for payment of telephone service costs.

#### **Data Circuit Costs:**

DCS pays the costs associated with data circuits utilized at certain locations. The Attachment ZZ indicates the monthly costs by location. Each area should locate each circuit in their jurisdiction and combine all costs to include in this section of the budget. LWIBs should use these costs as their FY 2012 planning estimate for data circuits and should include the amounts as funds to be retained by DCS for payment of data circuit costs.

#### **4 MOSES Support (Local Share)**

Due to the costs associated with the continuing development, maintenance and software licenses related to the MOSES system, in FY07 the MOSES Access Fee was replaced with a methodology that identified and assessed local shares based upon a fair and equitable revenue-based formula. During the intervening years, the Executive Office has provided statewide funds to keep the MOSES Support Charge to local areas at a minimum.

The cost allocation methodology used to determine the FY12 MOSES Support Charge for each area is unchanged from that used since FY07. However, due to cuts in state level operational funding, the total local MOSES Support has been raised to \$723,693. This amount represents the CPI Inflation Adjustment to the MOSES charge in FY06 (\$632,475 assessed in 2005 dollars).

History of MOSES Support Charge to Local Areas:

Fiscal Year 2011	\$441,000
Fiscal Year 2010	\$441,000
Fiscal Year 2009	\$441,000
Fiscal Year 2008	\$441,000
Fiscal Year 2007	\$336,300
Fiscal Year 2006	\$632,475

#### **D. Line Items**

- Please note the addition of a new line on the Integrated Budget for FY12 labeled “WIB.” Please enter WIB expenses attributable to WIB functions that are separate from fiscal agent functions. This is a “non-add” item.