

ATTACHMENT K

Massachusetts Fiscal Year 2019 Local Annual WIOA Plan

Integrated Budget Instructions

A majority of the WIA programs administered through the Department of Career Services (DCS) had been identified as required partner programs or designated as affiliated partners by the Commonwealth. With the exception of Wagner-Peyser, the funds available from these program streams had been designated for specific labor exchange or customer service functions such as services to Veterans, Unemployment Insurance recipients and Dislocated Workers.

Now WIOA §361.700 adds a stronger mandate to ensure that Partners contribute to support infrastructure costs. Bearing in mind the impact of applicable WIOA and related COFAR principles, the basic premise is that *“Each entity that carries out a program or activities in a local one-stop center, described in §§361.400 through 361.410, 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 of the one-stop center”*. As described in §361.710, *“Infrastructure costs are funded either through the local funding mechanism described in §361.715 or through the state funding mechanism described in §361.730”*. Please continue, as supported by state mandates, to utilize the COFAR concepts and the new WIOA Partner cost support mandate (delayed to July 2017) to guide your local area in executing local partner infrastructure support MOUs.

The following items identify commitments, changes or enhancements for FY 2019 regarding the submission of fiscal planning documents and tools:

1. Requirement to submit a Budget Narrative (line item explanations)
2. State budget/allocation for One-Stop Career Centers will not be final until the Legislature approves the budget and a revised distribution methodology receives Association(s) and state approval.
3. State budget/allocation for WFB WTF funds will be \$95,000 per WFB area
4. 80/20% split between regional and state level Wagner-Peyser 90 % funding will be continued for FY19
5. 62/38% split between regional and state level will be in force for FY19 for Wagner Peyser 10% funding.
6. Carry-in of unexpended FY18 Wagner Peyser (90/10) and WIOA Title I funds will be locally identified for planning purposes and planned as separate columns on the Integrated Budget.
7. DCS Salary Sheets will be separately issued by DCS to Ops Managers and Fiscal Officers and reviewed and processed based upon local input.

8. There will be no MOSES fee or Citrix costs assessed for FY19
9. FY19 Integrated Budget approvals will be issued following negotiations with each area based on the receipt of accurate projections and segregation of applicable retained costs.
10. A separate line, labeled "WFB," has been continued on the Integrated Budget template to identify WFB expenses.
11. Fringe (34.89), Payroll tax (1.73) and State Indirect (4.0) are in separate rows from AS&T.
12. AS&T (12.5) is in a separate row applied against above the line costs not including State Indirect in accord with DOL indirect cost rules.
13. A new row has been added to capture Adult to DW transfers (non-add).
14. New columns have been added to page 2 to reflect WIOA Mandated Partner contributions
15. Columns reflecting FY19 support for local Walk-in services reflect the allocation of funds from DUA for staff (6 months) and WIOA 15% (for NPS) revenue sources
16. A new column has been added for Branding funds (source 15% funds).
17. Authorization is highlighted under Wagner-Peyser (29 U.S. Code § 49f ; 20 CFR 652.205) to expend 10% earmark funds under provision 7c for career center services.
18. All planning-related documents should be returned/submitted to Lisa Caissie (Lisa.J.Caissie@detma.org)

A. Budget Narrative

- A budget narrative template is again provided on TAB 3 of the Integrated Budget template. This 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 FY2019 Annual Integrated Budget.
- The template will ensure uniformity and expedite the FY2019 Annual Integrated Budget review and approval process.

IMPORTANT:

Accuracy and completeness of your FY 2019 plan, including necessary line item and cost basis explanations will expedite the review and approval process. If Resource Sharing is permitted by the COFAR and is utilized, sufficient detail from the Resource sharing plan should be included. The resource sharing agreement details will be verified through monitoring.

The FY19 Contracts will be awarded as funds become available subject to any locally-directed adjustments for retained costs; 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/EOLWD Finance fiscal staff will work with local fiscal staff toward information clarification and resolution of any issues beginning with plan submission 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 (LOCAL BOARD) guidelines for the use of DCS-administered funds during FY 2019. All funding must be expended in accordance with the 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, an 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 Local Board. Whether in a collaborative or competitive model, the negotiators have a responsibility to ensure that resources available from DCS are utilized based upon cost-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 LOCAL BOARD 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 LOCAL BOARDS in their local plans.

Carry-in Note (FY18 – FY19):

Where carry-in is authorized and exists (Wagner-Peyser and WIOA), LOCAL BOARDS should ensure the accuracy of locally-projected, 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. The FY18 Carry-in column for Wagner-Peyser should be a net figure for FY17 WP carry-in not received or expended during FY18 and FY18 unexpended WP funds. Reconciling any issues with net 17/18 Wagner-Peyser carry-out will be addressed on a case-by-case basis.

- a. WIOA Title I** – Please use your own estimates
- b. Wagner-Peyser** - Please use your own estimates. Reconciliation will occur through the FY18 closeout process and funds will be made available in October/November.
- c.** As agreed, where carry-in of unexpended FY17/18 Wagner Peyser funds exists, they may be carried into FY19 as authorized by and at the discretion of the LOCAL BOARD area. Per Policy Issuance #100 DCS 01-101 (3/16/16), funds not expended within a two year period must be recovered by the Commonwealth and redistributed or expended by the state.

The Wagner-Peyser carry-in 90% and 10% funds estimate must be supplied by the Fiscal Officers.

Specific Funding

1. Wagner-Peyser

Wagner-Peyser (WP) funds form the basis for the universal availability of labor exchange services within the One-Stop Career Center (OSCC) system. Each of the sixteen LOCAL BOARDS receives 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 via formula. The same percentage will be in effect for FY 2018 for 90% funding. Sixty-two percent (62%) of the 10% WP funds allotted to the State have been allocated to the field via formula.

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

Number of unemployed individuals in the Local Workforce Investment Area during 2013 (1/3 weight) and
Number of individuals in the area's labor force during calendar 2013 (2/3 weight)

GENERAL NOTE: Relative to the allowable uses of Wagner Peyser funding, the Commonwealth is exercising its authority to utilize Wagner Peyser 10% funds to supplement funding of workforce activities carried out under the Workforce Innovation and Opportunity Act (WIOA). Wagner-Peyser (29 U.S. Code § 49f ; 20 CFR 652.205)

This authority is reflected in § 7(c) of the Wagner-Peyser Act as delineated below:

Funds authorized under Wagner-Peyser Act may be used under sec. 7(c) to provide additional funding to other activities authorized under WIOA if:

- (1)The activity meets the requirements of the Wagner-Peyser Act, and its own requirements;
- (2) The activity serves the same individuals as are served under the Wagner-Peyser Act
- (3)The activity provides services that are coordinated with services under the Wagner-Peyser Act; and
- (4)The funds supplement, rather than supplant, funds provided from non-Federal sources.

Wagner-Peyser and Title 1 allocations to be used to prepare the local FY 2019 Annual Integrated Budget were disseminated via email on June 5, 2018.

As agreed, where carry-in of unexpended FY17/18 Wagner Peyser funds exists, they may be carried into FY19 as authorized by and at the discretion of the LOCAL BOARD area. Per Policy Issuance #100 DCS 01-101 (3/16/16), funds not expended within a two year period must be recovered by the Commonwealth and redistributed or expended by the state.

The Wagner-Peyser carry-in 90% and 10% funds estimate must be supplied by the Fiscal Officers.

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- (2) The activity serves the same individuals as are served under the Wagner-Peyser Act

- (3)The activity provides services that are coordinated with services under the Wagner-Peyser Act; and
- (4)The funds supplement, rather than supplant, funds provided from non-Federal sources.

2. Veterans Services

Services for Veterans are provided through the Disabled Veterans Outreach Program (DVOP) as assigned to each region. These services must be provided by DCS personnel who meet the criteria for these positions.

In FY2019, 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 FY2018-19 Veterans Employment and Training Administration funding. Premises costs will be carefully reviewed to ensure that the budgeted figure is within acceptable limits.

3. 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.

4. Unemployment Insurance

The allocation of FY19 DUA-supported FTEs for walk-in services continue to be at reduced levels (initially 50% of the FY18 annual figure) while additional non-personnel/overhead support from 15% funds continues at increased levels. DUA funds will be supplied for a half year with the release of any additional funds subject to continued negotiation with DUA. NPS is supported by 15% funds.

The Integrated Budget continues 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 budgeted UI costs will be reviewed by DUA as part of the IB Review and DUA Partner support.

In FY 2019, 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 separate DCS staffing sheets. WIBs should budget and will recover NPS costs made available separately and this should be reflected in the cost allocation basis column of the budget narrative submitted in the plan by the local area.

5. State One-Stop Funds

Due to the delays in the legislative process, the exact dollar amount available for this purpose has not yet been finalized and will be supplied as soon as available.

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 LOCAL BOARD's Local Annual WIA Plan.

For planning purposes, please plan at FY18 levels.

Please note: The FY2018 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.

6. WFB Grant

The availability of WTF funding for each LOCAL BOARD has been clarified for FY 2019. These funds will be allocated at the same level as FY18. The FY 2019 Integrated Budget includes a separate column for the budgeting of WFB/WTF funds.

When these funds are awarded, LOCAL BOARDS will be required to provide a narrative explanation that clearly identifies the purpose for which these funds will be utilized in FY 2019. 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.

7. RESEA – REA8 allocations issued – Integrated budget column is supplied for budgeting

Integrated Budget – Cost Categories

1. Personnel Costs

The DCS Field Salary sheets will be issued separately to local Operations managers and Fiscal Officers and should be returned to DCS to Eddie Bartkiewicz and copy to Dave Manning.

2. Premises Costs

Funds are reflected in the FY 2019 attachments 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 FY2019 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 their 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 COFAR cost principles, Federal guidelines and WIOA.

LOCAL BOARDS must also utilize a cost allocation methodology and resource sharing as appropriate that are compliant with Federal COFAR regulations.

As in the past, DCS will provide assistance to all LOCAL BOARDS and their partners in complying with COFAR principles.

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 FY19 period.

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

- Office Supplies (Paper, Writing materials, etc)
- Office Furniture
- Memberships
- Postage
- Postage Meter Rentals
- Copiers
- Fax machines & Maintenance
- Bottled Water
- Personal Computers

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

- Premises Leases & Maintenance (Attachment V)
- Telephone Lines (Attachment U)
- NOTE: Videoconferencing and related costs for the local systems set up by IT for DCS will continue to be supported by the DCS central budget.
- NOTE: DCS will continue to review the inventory of additional Verizon lines supported by DCS to determine that they are in active use and appropriately supported by DCS central.

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

Telephone Services:

The annualized figure should be used as the FY 2019 planning estimate. LOCAL BOARDS should include the estimated amounts as funds to be retained by DCS for payment of telephone service costs.

AWS Costs:

Citrix has been discontinued for FY19 and will be replaced by AWS. No local contribution is required for FY19.

6. Budget rates for specific items

The following rates will be in effect (until receipt of formal approved rate) for planning submission and budgeting purposes only:

- AS&T – 12.5%
- Indirect cost – 4.0%
- Payroll tax – 1.73%
- Fringe – 34.89%

D. Line Items

- Please note the line on the Integrated Budget for FY18 labeled “WFB.” Please enter WFB expenses attributable to WFB functions that are separate from fiscal agent functions. This is a “non-add” item.