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FY 2010 Integrated Budget Instructions

Most of the programs administered through the Division 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 FY10 regarding the submission of fiscal planning documents and tools:

- Requirement to submit an Integrated Budget Narrative (template provided)
- Add an ARRA column for each ARRA funding stream
- Governor's budget for One-Stop Career Centers unsigned as of writing of this (Plan amount TBD)
- Navigator funding for FY2010 will be \$15,625 per area
- The WIB WTF funds (normally 95k) please plan at 95k
- Cost Allocation methodology basis must be identified
- Continue with 80/20 split for Wagner Peyser funding
- 100% carry-out of unexpended FY09 Wagner Peyser funds
- DCS Salary Sheets have been given to Fiscal Officers and Operations Managers for planning purposes
- Increased level of DUA/UI Walk-in support
- Discontinue "splitting" WIA admin from the individual grants (Youth, Adult, DW)
- Addition of several training and support service categories as stressed in ARRA
- MOSES Steering Committee recommendations from FY08 updated with FY10 figures will be used for local MOSES share (will be available 06/30/09)
- FY10 Integrated Budget approvals will happen after negotiations with each area based on acceptable Cost Allocation methodology.

This Integrated Budget section provides the local Workforce Investment Board (LWIB) guidelines for the use of DCS-administered funds during FY 2010. 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

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fair and responsible allocation methodology. This methodology must maximize all resources available to the Center from all partners, reduce 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: 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 eliminating any possible overspending. State estimates will be supplied to Fiscal Officers and DCS local area M-3 staff on Tuesday June 30, 2009

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 will 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 2010.

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 **2008** (1/3 weight).
- Number of individuals in the area's labor force (2/3 weight).

Wagner-Peyser allocations that are to be used to prepare your area's FY 2010 Annual Integrated Plan budget **were distributed via email in March 2009**

2. WAGNER-PEYSER CARRY-IN

As agreed, carry-in of unexpended FY09 Wagner Peyser funds into FY10 is authorized at the discretion of the LWIB area.

An estimate of Wagner Peyser carry-out 90% and 10% funds will be supplied through Fiscal Officers and DCS local area M-3 staff and will be reconciled through the annual closeout process.

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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 FY 2010 the monetary resources for the provision of staffing for Veterans services will be centrally managed by DCS. The dollar amount for the FTE's in each area will be shared with the local area. 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 FY2010 Veterans Employment and Training Administration funding.

4. UNEMPLOYMENT INSURANCE

Unemployment Insurance (UI) walk-in information regarding the allocation of increased FY10 DUA FTE levels have been shared with local areas, any questions concerning an area's DUA FTE allocation should be directed to the DCS regional manager.

In FY 2010 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 FTE's in each area will be shared with the local area. 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.

5. STATE ONE-STOP FUNDS

The House and Senate conference committee recently agreed to \$5,460,000. It is unclear at this time the exact dollar amount available for this purpose.

For FY 2010 planning purposes WIBs should budget at \$0 and allocation adjustments and further planning will be made as soon as final allocations are known.

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

6. 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, 2009 through June 30, 2010 as documented in

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the project approved Implementation Schedules. A modification to the Integrated Budget must be submitted upon receipt of new awards, including supplemental funds received during the fiscal year.

7. WORKFORCE TRAINING FUNDS

\$95,000 in Workforce Training Funds will be made available to each local area for FY2010. These funds must be allocated as follows: \$75,000 for WIB activities and \$20,000 for Youth Council Activities. The FY 2010 Integrated Budget includes separate columns for the budgeting of WTF funds in accordance with this split.

LWIBs must provide a narrative explanation that clearly identifies the purpose for which these funds will be utilized in FY 2010. 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.

8. ARRA FUNDING STREAMS

Columns have been added to the Integrated Budget for ARRA Title I Adult, ARRA Title I Youth, ARRA Title I Dislocated Worker, ARRA Wagner Peyser and ARRA Re-employment Services. DWD/DCS recognizes that the information contained in these columns may differ from the ARRA plan submitted on May 29, 2009 specifically due to the fact that FY10 regular formula allocations were so late in coming to the State from USDOL. These columns should identify and detail the amount of ARRA funds to be utilized from July 1, 2009 to June 30, 2010 with the remainder identified as carry out to FY11.

9. COST CATEGORIES AND CALCULATIONS

LWIBs must provide a BUDGET NARRATIVE explanation of all non-staff costs (operational and capital) as part of the budget section of the LWIB Annual Integrated Budget/DCS Memorandum of Understanding (MOU). This will assure consistency and prevent delays in the plan review process. LWIBs are encouraged to utilize the recommended budget narrative categories, detailing the items contained in each category and fully explaining the calculations used to establish each budget estimate.

IMPORTANT NOTE: the ability to expedite the approval of your FY 2010 plan depends upon the completeness of supplied costs and any necessary accompanying explanations (cost basis and allocation basis identified). The cost allocation methodology must be described in the budget narrative (i.e. FTE based, program customers served, square footage) are all acceptable methodologies. The basis for the NPS costs on the Integrated Budget per program must be identified. If Resource Sharing is utilized sufficient detail from the Resource sharing plan should be included.

Please note the FY10 Contracts are not tied to the approval of the Integrated Budget. The Integrated Budget approval will not be issued by July 1, 2009. Clarification and negotiations will be required in many areas before Integrated Budget approval will be

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issued. These meetings will take place beginning in July and continuing as long as necessary to complete all areas.

A. PERSONNEL COSTS

The DCS Field Salary sheets has been shared with Fiscal Officers and DCS Local M-3 staff for collaborative development on effective use of resources.

B. PREMISES COSTS

Funds are included in the FY2010 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 FY2010 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. (see section 8 Cost Categories and Calculations)

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

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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 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. Therefore, the cost allocation methodology chosen must meet the requirements of the appropriate OMB circulars and GAAP principles.

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.

C. NON-PERSONNEL COSTS

The practice that began in FY08, in which DCS transferred procurement & management responsibility for specific NPS categories to local WIB areas, will continue for the FY10 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- Current leases end March 31, 2008)
- Fax machines & Maintenance (July 1, 2007)
- Bottled Water (July 1, 2007)
- Personal Computers (July 1, 2007)

These NPS costs will continue to be managed by the State (Above the line on IB):

- Data Circuits (**Attachment**)
- Telephone Lines (**Attachment**)
- Premises Leases & Maintenance (**Attachment**)

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

Telephone Services

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The annualized figure should be used as the FY 2010 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** indicates the monthly costs by location. This spreadsheet is set up differently than in the past. Each area will 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 2010 planning estimate for data circuits and should include the amounts as funds to be retained by DCS for payment of data circuit costs.

D. 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.

The MOSES Steering Committee considered this issue for FY08 and had developed a recommendation for Executive approval for FY08. The same methodology for allocation of these costs will be used for FY10