PY2024-25 Shared Cost Guidance for DWD Local Negotiators

DWD-DET and DWD-DVR local Directors/Supervisors are DWD's first points of contact in discussions with local Workforce Development Board (WDB) and other WIOA one-stop partner staff regarding Infrastructure and other Shared Delivery costs for Job Center(s) and/or one-stop delivery systems. This guidance must be used by DWD's frontline negotiators to inform local negotiations.

# Procedures:

* DWD-DET and DWD-DVR local Directors/Supervisors must engage in local negotiations, led by the local WDB, to aid in establishing an operating budget for the Job Center(s) and/or one-stop delivery system; determining reasonable and appropriate shared costs; and identifying cost allocation methodology(ies) that will assign shared costs based on proportionate use and relative benefit to the program they represent.
* During local negotiations, if the Director or Supervisor have questions on any costs, they should contact the Job Service, OVES, or DVR Bureau Director, outlining their question or issue along with their contact information. DWD Central Office staff will contact them to discuss.
	+ All questions of this nature will be discussed with the local Board and Partners to obtain further information or to eliminate the cost from the budget. DWD Central Office staff will be available to assist in the discussion with local Board members and Partners, as needed.
	+ Local Directors/Supervisors must provide a response to the Job Service, OVES, or DVR Bureau Director explaining (or describing how the questioned cost/allocation methodology was resolved) or provide the justification for maintaining those costs in the local MOU Budget.
	+ Once all questions/issues have been resolved, DWD Directors/Supervisors will be authorized to approve the Job Center MOU/Budgets. WDB staff have been instructed to share draft documents either in SOLAR or to use the print functionality in SOLAR.

# Costs that DWD will generally not agree to pay:

The following is a list of budget items that DWD Directors and Supervisors should not agree to and should not be included in SOLAR Budgets.

* **Pest Control or Related Costs** – Building Pest Control services may be included in individual lease agreements. Need and payment of these types of services will be addressed on an individual basis.
* **Job Centers that are not Comprehensive or Affiliate-** –DWD will not pay for any costs in Partner "job centers" that are not certified as either a comprehensive or affiliate job center.
* **IT Services** – DWD provides its own IT support service. In addition, since DWD computers have direct connectivity through the BadgerNet system (paid directly by DWD), there are no outside IT support services needed.
* **Insurance** – The state is self-insured. Any insurance claims will be handled on an individual basis and through the appropriate state established process. Breakage of equipment/furniture/etc. by consumer or staff will be addressed on an individual basis to determine payment liability and payment proportions between the Partners.
* **Depreciation or Interest** – This is not an allowable shared cost and is the responsibility of the building owner.
* **Locations with No DWD Staff Presence** – DWD will not cover any shared costs at locations where it has no staff or equipment. DWD will not cover any shared costs at locations where DWD only has provided equipment. In those equipment-only locations, DWD is not allocating those costs to Partners therefore, it will not cover any other costs at such locations. Exceptions may be considered on a case-by-case basis and should be communicated to the Bureau Directors.

The above is not an exhaustive list. If you have questions regarding a specific cost or if a local Partner is insistent on retaining any of the above Budget items, please obtain their written justification and/or rationale for including the cost and forward to the local Job Service, OVES, or DVR Director. All questions on cost item determinations will be reviewed by DWD Central Office staff who will issue a final determination.

**Costs that local DET/OVES/DVR Directors/Supervisors must review in detail**:

The following MOU Budget Lines and Allocation Methodologies should be reviewed in- depth and may require the Partner to provide detailed information and justification as to why it should be included in the local MOU Budget.

* **Infrastructure -** All one-stop partner programs must contribute to the infrastructure costs and certain additional costs of the one-stop delivery system based on their proportionate use and relative benefit. Infrastructure costs include:
	+ Rent or Leasing Agreements
	+ Utilities
	+ Building Maintenance– General building maintenance costs may be included in individual lease agreements. Building service costs (such as Cleaning services/Janitorial) should first be discussed and verified with DWD Central Office before agreeing to those types of shared costs.
* **One-Stop-Operator (OSO)** – WIOA requires local WDBs to competitively procure an OSO in accordance with the Uniform Guidance and state [Policy 2.7.1](https://dwd.wisconsin.gov/wioa/policy/02/02.7.htm#end1015). The resulting OSO contract must have a minimum budget of $3,500.00 as required in Policy 2.7.1, and that budget may be cost-shared among one-stop partners through the One-Stop Delivery System MOU local negotiation process. DWD will contribute up to $50,000.00 per local Workforce Development Area (WDA), aligned with the micro-purchase threshold identified at [2 CFR 200.320(a)(1)(iv)](https://www.ecfr.gov/current/title-2/part-200/section-200.320#p-200.320(a)(1)(iv)), to support OSO costs. Final contributions are subject to locally-agreed upon cost allocation methodologies. DWD also supports the consortium model for OSOs and will agree to provide staff time as an in-kind contribution in cases where a consortium including DWD representatives is approved as the OSO through the competitive procurement process.

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* **Job Center Pooled funds** – DWD may agree to contribute to Job Center Pooled funds on a limited, case-by-base basis. When costs cannot be directly assigned to a final cost objective, the costs are placed in a pool that will be allocated at a later time to the benefiting partner programs. A cost pool contains a group of common costs to be allocated by using an indirect or approximate measure of benefit. Use of pooled funds for discretionary items are not allowable.
* **Receptionist** – The cost for a local Job Center Receptionist is an allowable shared cost. However, DWD Directors and Supervisors should identify if any DWD staff (Resource Room staff or other) are being provided as back-up for the Receptionist and the duties provided. In some cases, consumers are directed to Resource Room staff to cover high consumer volume or if the Receptionist is not available. If DWD is providing significant DWD staff time toward Receptionist duties, then a credit or cost reduction should be considered. This may require application of a manual allocation methodology when entering the budget in SOLAR.
* **Security** – Security is an allowable shared cost. However, there are several details that should be considered before including this cost in the MOU Budget. In some cases, security is covered in individual lease agreements; DWD also has a direct contract for security services at certain locations. Shared security costs must be for shared areas and should be adequately proportioned if the security service is provided for other non-shared areas. In addition, the allocation methodology used should be based on the benefit received by each Partner.
* **Outreach** – DWD provides a significant amount of Outreach for local Job Centers. Details as to what type of shared outreach activities a Partner is providing are required before DWD will share in these types of costs.
* **Building Services** – Includes such things as cleaning services, janitorial services, snow removal, etc. Directors/Supervisors should discuss and verify with DWD Central Office to determine if such costs are included within DWD's existing lease agreements.
* **Membership Dues** – May be included as direct costs or in-kind contributions (e.g., DWD covers the cost for one membership with the WDB/Partner provides the cost for another). Detailed descriptions of the membership and the relative benefit to each partner should be provided.
* **Indirect / Overhead / De Minimis** – Directors/Supervisors should obtain additional information regarding these types of non-direct costs. Individual agency-approved indirect cost rates must be applied, but there are certain restrictions on how these costs can be applied. DWD Central Office will assist Directors and Supervisors in reviewing these costs and whether they should be included in local Budgets.
* **Miscellaneous Supplies** –DWD Directors/Supervisors should include in the MOU Budget any supply cost(s) that are provided and supporting documentation. Please note that DWD has set up specific coding to track these types of costs. If supply costs are being shared, please contact the DET/DVR Budget Unit for the applicable coding. This category should not be used as a general catch-all for Job Center costs.
* **Other** – Any cost placed in the Other Line category is required to have a detailed description of that cost in the SOLAR description section. In addition, DWD Directors/Supervisors are to be provided a detailed description and justification as to what the "Other" costs contain, and a justification of how that cost provides relevant benefit to the Partners. Directors/Supervisors may be asked to provide the detailed description when the DET/DVR Budget Unit reviews the MOU Budget.

This is not an exhaustive list. If you have questions regarding a specific cost, please contact the Job Service, OVES, or DVR Director and it will be reviewed and discussed with DWD Central Office staff.

**Allocation Methodology**

DWD Directors and Supervisors should review the type of allocation methodology that is used for each Budget cost. The type of allocation methodology used should be reasonable and applied consistently by all partners for the Budget item. If Customer Count is used as an allocation methodology, the method by which this data was obtained should be reasonable. Details of how the data was acquired, time frame, and the actual data itself should be provided for Partner review and approval.

If you have questions regarding an allocation methodology, please contact the Job Service, OVES, or DVR Director and it will be reviewed and discussed with DWD Central Office staff.

**Exceptions**

Exceptions to this guidance may be considered and granted on a case-by-case basis through joint agreement of the Employment and Training (DET) and Vocational Rehabilitation (DVR) Division Administrators. Requests for exceptions must be submitted in writing to DETWIOA@dwd.wisconsin.gov for consideration.