

Sharing American Job Center Costs Using “Customer Count:” One Approach to Cost Allocation under WIOA

Introduction

When cost sharing in the American Job Center (AJC), as envisioned in WIOA, works well, it improves partners’ collective effect on job seekers, workers and businesses. As partner programs collaborate to provide career services in the AJC, they work to establish a foundation of customer service that allows each partner to increase its individual success while simultaneously increasing the overall success of the system. Through the contribution of each partner’s expertise in the design of a customer-focused center and their commitment to assuring that the services are both *inclusive of* and *responsive to* every job seeker and worker that comes through the door, each partner has an opportunity to support a system in which the whole is greater than the sum of its parts.

Background

When a Local Workforce Development Board (LWDB) convenes partners to coordinate service delivery in the AJC, it aims to develop a strategic approach to meet the needs of its community. The Memorandum of Understanding (MOU) that the LWDB develops with each of the partners articulates that strategy. The MOU also includes a description of the operating costs and how those costs are supported by the partners to implement their strategy.

The One-Stop Operating Budget, which is included in each MOU, includes two components – Infrastructure Funding Agreement (IFA) and Additional Costs. Links to the specific Federal guidance for these costs are provided on the following page. Infrastructure Costs include non-personnel costs that are necessary for the operation of the center. Additional Costs must include applicable career services and may include shared operating costs and shared services that partners determine necessary to the local area’s service strategy.

To support the collaboration described earlier, it is important that all partners providing services in the AJC consider the following:



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- 1) How they contribute to the planning for customer service in the AJC;
- 2) How they recognize that integrated service delivery must be mutually beneficial for all partners; and
- 3) How they respect the responsibility of each partner to ensure that costs are proportional to use of the AJC and relative to benefits received by each partner.

WIOA requires that this planning and negotiation is completed on a local level. The Governor and State Workforce Development Board (SWDB) provide guidance to local boards and AJC partners about their roles in identifying Infrastructure Costs in AJCs, approaches to allocate and determine partner contributions, and timelines to report progress with local negotiations. The WIOA Core Programs, at the State level, support the Governor and SWDB in this process, as well as their designated representatives participating in the local negotiations.

[Joint Guidance in RSA TAC 17-03](#) (for WIOA Titles I and III, [TEGL 17-16](#); for Title II, [PM 17-3](#)) describes how AJC partners support the costs for the strategy they establish with the LWDB. This guidance addresses the responsibilities of each partner involved. In Attachment I, several examples of cost pools and possible allocation bases for those cost pools are identified. IFAs address Infrastructure Costs, or items related to the physical building and utility/operational costs. In some situations, these costs are allocated based on full-time equivalent staff (FTE) or square footage of occupancy for each co-located partner agency. There are a few examples of costs, noted in Attachment I of the Joint Guidance, which may be better allocated based on actual use by customers.

When partners agree on the services provided in the AJC, it's a win for partners and, most importantly, collectively benefits the customers they serve. The process begins with a strategy and an allocation plan. It is important for partners to review all possible allocation bases and consider customer count when it best measures proportionate use and the relative benefits received by each partner.

In this technical assistance resource, we share examples of cost-allocating two agreed-upon costs:

- 1) An AJC Resource Room Staff Person; and
- 2) iPads that increase universal access in the Resource Room and are used by all job seekers.



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Brenton Bend

Both of these examples involve an AJC in a fictional local area called Brenton Bend. The calculations used to support the cost allocation to partner agencies are based upon the actual use of the AJC services by customers. Below is background information on Brenton Bend:

- 1) The partners have previously negotiated and implemented their IFA. Most of the Infrastructure Costs are allocated based on square footage of occupancy – so these costs are supported by the programs that are co-located in the AJC.
- 2) In a recent meeting, the partners and local board discussed customer service and ways to improve it. They determined that the addition of a couple of items in the Resource Room will improve inclusion and responsiveness of career services for all customers and connect job seekers to partners in a timelier fashion. All of the AJC partners, regardless of whether or not they are co-located in the AJC, decided to address universal accessibility by purchasing iPads and hiring a Resource Room Staff Person.
- 3) The Resource Room Staff Person is identified, in this description, as an Additional Cost and will be documented separately from Infrastructure Costs. It will be added to the cost sharing information included in the one-stop operating budget within the MOU between the Brenton Bend Workforce Development Board and Local Programs within the AJC.
- 4) The additional technology (iPads) are an Infrastructure Cost and will be added to the amended IFA that is a part of the MOU with the Brenton Bend Workforce Development Board. This amendment includes the purchase of five iPads for use in the Resource Room. The iPads allow all customers to access the “service shell” used by the Resource Room computers at additional workstations and the iPads include accessibility features. The Resource Room had already identified a need to add five computers, but the partners developed this recommendation as a means to strengthen universal access.
- 5) The allocation base for these two new costs are based on the number of partner customers/participants using the Resource Room.
- 6) The Brenton Bend AJC has a registration process (not to be confused with registration in the labor exchange system) that provides a list of the number of participants by partner program. This is possible through the use of unique identifiers matched against the State’s data system (by each program). These numbers are unduplicated by program, but they are duplicated across programs where there is co-enrollment.

- 7) **A key Career Service available in the Resource Room is “registration” in the labor exchange system. There may be a few job seekers who do not complete this process, but most will because this is a central component of the services available. With completion of the Title III (Wagner-Peyser Employment Service) application, combined with receiving staff-assisted services in the Resource Room, a majority of job seekers will be co-enrolled with Title III.** Of course, co-enrollment is promoted with other agencies in addition to Wagner-Peyser, especially for those job seekers who require more intensive services, like training. However, for purposes of this example, co-enrollment occurs between the Wagner-Peyser program and one other partner program. The WIOA Partner agencies in this AJC have agreed to introduce an adjustment in counting participants who are enrolled in the two AJC programs by factoring them by half in developing the allocation, demonstrating a 50/50 split between Wagner-Peyser and the other co-enrolled programs.
- 8) The cost projections exhibited here are based upon the participant use of AJC services in the previous year.
- 9) Participant usage will continue to be reviewed periodically and reconciled to actual costs.

The table below lists the numbers of all registered or enrolled participants by program who used the Resource Room services the previous program year and shows the adjustment made in the allocation for co-enrollment.

Program (A)	Participants Using Resource Room (B)	Participants not Co-enrolled with another Program (C)	Participants Co-enrolled in WP and one other Program (D)	Count with the 50% Adjustment for those Co-enrolled (E)	Total non-co-enrolled plus adjusted co-enrollment count (C + E)	Allocation based on Adjusted figures (F)
Wagner-Peyser ES	3,000	800	2,200	1,100	1,900	61.06%
UI	500	0	500	250	250	8.02%
Title I Adult	500	0	500	250	250	8.02%
Title I DW	250	0	250	125	125	4.02%
Title I Youth	34	14	20	10	24	0.77%
Title II Adult Ed	100	40	60	30	70	2.25%



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Program (A)	Participants Using Resource Room (B)	Participants not Co-enrolled with another Program (C)	Participants Co-enrolled in WP and one other Program (D)	Count with the 50% Adjustment for those Co-enrolled (E)	Total non-co-enrolled plus adjusted co-enrollment count (C + E)	Allocation based on Adjusted figures (F)
VR General	350	30	320	160	190	6.11%
VR Blind	6	0	6	3	3	0.10%
TANF	350	6	344	172	178	5.72%
Veterans	100	0	100	50	50	1.61%
SCSEP	12	2	10	5	7	0.23%
HUD	10	6	4	2	8	0.26%
CSBG	60	14	46	23	37	1.19%
Goodwill	40	0	40	20	20	0.64%
Total	5,312	912	4,400	2,200	3,112	100%

Resource Room Staff Person - \$75,000

This shared position will support all job seekers who receive career services in the Resource Room. The staff person will support all job seekers in establishing an initial employment objective and identify the career services that the job seeker will use to meet that objective. This individual will be employed through Goodwill, one of the local area partners, with the expectation that this individual has disability subject matter expertise and has a strong working knowledge of all AJC programs. Working closely with the VR program, the staff person will support other AJC staff to ensure that career services are inclusive of individuals with disabilities.

Type of Cost: Additional Costs

Cost allocation base: Partner shares are based on proportionate number of participants counted using the Resource Room.



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This Additional Cost supports the AJC's career services and will not be a part of the IFA, but will be included in the one-stop operating budget. The cost allocation base chosen for this cost is based on the value this adds to the service flow for all partners' participants who use the AJC, as not all partners are co-located in the AJC. Thus, using square footage or FTEs would not as accurately reflect relative benefit for all partners. *(Note: This is also listed as a possible allocation base in Attachment I of RSA TAC 17-03 for One-Stop Center Operations Staff.)*

The \$75,000 for the Additional Cost (Resource Room Staff Person) will be allocated as follows:

Program	Participants using the Resource Room adjusted for co-enrollment	Adjusted Participation Percent of Total by Program	Proportionate Share of \$75,000 Cost
Wagner-Peyser ES	1,900	61.06%	\$45,795.00
UI	250	8.02%	\$6,015.00
Title I Adult	250	8.02%	\$6,015.00
Title I DW	125	4.02%	\$3,015.00
Title I Youth	24	0.77%	\$577.50
Title II Adult Ed	70	2.25%	\$1,687.50
VR General	190	6.11%	\$4,582.50
VR Blind	3	0.10%	\$75.00
TANF	178	5.72%	\$4,290.00
Veterans	50	1.61%	\$1,207.50
SCSEP	7	0.23%	\$172.50
HUD	8	0.26%	\$195.00
CSBG	37	1.19%	\$892.50
Goodwill	20	0.64%	\$480.00
Total	3,112	100%	\$75,000



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iPads for the AJC Resource Room - \$2,500

- Five iPads - State IT will make the one-stop system menu of services available through iPads.
Type of Cost: Infrastructure Costs

Cost allocation base: Partner shares are based on proportionate number of participants counted using the Resource Room.

The \$2,500 for the Infrastructure Cost (iPads) will be allocated as follows:

Program	Participants using the Resource Room adjusted for co-enrollment	Adjusted Participation Percent of Total by Program	Proportionate Share of Equipment \$2,500 Cost
Wagner-Peyser ES	1,900	61.06%	\$1,526.50
UI	250	8.02%	\$200.50
Title I Adult	250	8.02%	\$200.50
Title I DW	125	4.02%	\$100.50
Title I Youth	24	0.77%	\$19.25
Title II Adult Ed	70	2.25%	\$56.25
VR General	190	6.11%	\$152.75
VR Blind	3	0.10%	\$2.50
TANF	178	5.72%	\$143.00
Veterans	50	1.61%	\$40.25
SCSEP	7	0.23%	\$5.75
HUD	8	0.26%	\$6.50
CSBG	37	1.19%	\$29.75
Goodwill	20	0.64%	\$16.00
Total	3,112	100%	\$2,500



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The following table reflects the total costs added to the One-Stop Operating Budget and Infrastructure Costs added to the IFA; these costs reflect the partners' contributions. Note that the cost for the Resource Room equipment is added to the IFA, and the cost for the Resource Room Staff position is documented separately as an Additional Cost. Each partner contributes to these costs with consideration to what they have invested in these service functions prior to negotiating them. These costs are shared by all partners that send their customers to the Resource Room based on proportionate use, regardless of whether the partner is physically present at the AJC or not. It is inherent that many job seekers using the Resource Room will become Title III participants as a result of the services provided there, regardless of what other partner agencies/programs have enrolled them. This customer service strategy results in increased co-enrollment, which is a factor in count adjustment or weighting in this example.

The \$77,500 combined Infrastructure Costs and Additional Costs are allocated to partners, and included in the IFA and One-Stop Operating Budget, respectively, as follows:

Program	iPads (included in IFA)	Resource Room Staff Person (Additional Cost)	Total Added Cost per partner to the Operating Budget
Wagner-Peyser ES	\$1,526.50	\$45,795.00	\$47,321.50
UI	\$200.50	\$6,015.00	\$6,215.50
Title I Adult	\$200.50	\$6,015.00	\$6,215.50
Title I DW	\$100.50	\$3,015.00	\$3,115.50
Title I Youth	\$19.25	\$577.50	\$596.75
Title II Adult Ed	\$56.25	\$1,687.50	\$1,743.75
VR Gen	\$152.75	\$4,582.50	\$4,735.25
VR Blind	\$2.50	\$75.00	\$77.50
TANF	\$143.00	\$4,290.00	\$4,433.00
Veterans	\$40.25	\$1,207.50	\$1,247.75
SCSEP	\$5.75	\$172.50	\$178.25
HUD	\$6.50	\$195.00	\$201.50



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Program	iPads (included in IFA)	Resource Room Staff Person (Additional Cost)	Total Added Cost per partner to the Operating Budget
CSBG	\$29.75	\$892.50	\$922.25
Goodwill	\$16.00	\$480.00	\$496.00
Total	\$2,500	\$75,000	\$77,500

Brenton Bend AJC partners continue to monitor participation so that costs can be reconciled as numbers change. Partners anticipate that their shared investment will have two measurable effects:

- 1) Participant employment outcomes will improve, and
- 2) Improved employment outcomes may encourage those partners who do not use the AJC to consider collaborating with the AJC partners.