Slide 1: Hello this is Anson Green with the Texas Workforce Commission and I want to welcome you to the first in series of webinars related to one stop delivery, and the infrastructure cost under the Workforce Innovation and Opportunity Act. So this will be part one kind of an introductory webinar and then we anticipate a part two which will flesh out more of the detail that's going to be presented today. I'm joined today by Jason Vedan, the director for our workforce program policy department here at the Workforce Commission, and I think one of the messages by this being a joint webinar that we want to send locally is that this is the start of a local discussion that needs to be had with various partners of the one stop delivery system in the local area.

Slide 2: So there is our titles and our information and we will move on here.

Slide 3: So the purpose of the webinar is to provide some initial guidance on relating to the development in entering into MOU's or "Memoranda of Understanding" that are statutorily required and talk more specifically about the optional workforce in the required workforce system partners, and then the relationship of those partners to the operations and to the funding of what would be considered the complete Texas Workforce system services and a large part of today's webinar will be related to the contribution of the one stop infrastructure Costs.

Slide 4: A little outline of the Webinar, we're going to walk through the local workforce solution system at large, MOU's, Jason will cover something known as the common identifier related to branding of the workforce system, one stop operating budgets and costs, and then a large part of our time will be spent on the infrastructure cost differences between comprehensive an affiliate site, funding methods including third party in-kind contributions and then end with how to start the process locally and how discussions and development phases may look as you begin the work.

Slide 5: Just like we're doing here on the webinar by sending a joint message between the work force and adult education and literacy areas, this guidance and what we will be going through today is a joint effort developed by the US Department of Labor and Departments of Education, as well as, Health and Human Services. And so we are similarly collaborating here of course at the state level and really sending a model for local areas to be collaborating similarly into the development of their systems, their guidance and their funding model.

Slide 6: Probably very important to begin this work is to do a thorough review of the existing federal and state resources that are available. So the webinar includes a variety of references for federal resources including recent program memoranda and/or technical (teagle) letters from the Department of Labor. Other types of information that we will be referencing related to uniform guidance cost principles from the O.M.B. As well as correlate references to U.S. Department of Education and Labor. So there's quite a bit of information out there. There's a referenced WIOA infrastructure cost F.A.Q. That was released in December. These are very valuable places to begin and to continually reference back to. The webinar will not actually stray very much from guidance that we have culled out of these resources. So it's a very good place to start, make notes and take and develop questions to discuss locally or to send to us at TWC for clarification.

Slide 7: There are also state resources that have been promulgated related to this and those are coming up through workforce development letters, as well as, our grants manuals and some information from the comptrollers office related to grant management standards. So all very relevant and I'll take a moment here to say also, very much heavy on the fiscal side of the house and so partners that are getting involved very much need to make sure that their budget offices and fiscal departments are at the table and most likely leading many of these discussions because we are really largely talking about the development of a master budget with other contributing factors to it that will require full engagement from the finance department in AEL. This will be college folks, ISD folks, community based organization budgets folks at the table with their partners from the workforce system.

Slide 8: So I wanted to begin with part one and do a little background on the local workforce solution system here in Texas and alignment to the federal system here and I'm going to turn it over to Jason Vaden to kind of take this away and explain some of these areas.

Slide 9: All right thank you Anson. So some of the key terms that you'll see throughout this webinar include the one stop system and the Texas Workforce Solutions system. So each of these two terms are interchangeable from a federal legislation or a guidance standpoint that's the term to describe the one stop delivery. In Texas, we use the term Texas Workforce Solution system. Both of these terms refer to all of the partner programs in all of the resources that comprise the workforce system across the state. Here you also see some references to one stop centers or American jobs centers. Those are both federal terms as well. In Texas we use the term: Workforce Solutions offices. Both of those terms refer to local workforce offices where services are delivered to our customers.

Slide 10: I think the vision really speaks for itself. Now our job as a system is to work together in partnership comprehensively serve all customers of the workforce system here in Texas really stressing the importance of collaboration amongst all system partners and programs. Real quickly we wanted to touch on required partners. One of the things that I'd like everybody to keep in mind when we're looking at the key partners is that in Texas, we're somewhat unique you can't always go back and look at the (Teagles) of the federal guidance because of some of our uniqueness here.

Slide 11: So for us all the core partners which are Titles one through four including adult education. (Real quickly of note the title four vocational rehabilitation program recently transition to TWC so when you look at all the core partners, those are all under one administrative entity which is TWC, which again makes us very unique when you look at it from a national perspective.) A couple of other part of programs that TWC administers are the Unemployment Insurance Program, the Trade Adjustment Assistance Program, (and that program help assist workers whose jobs that been impacted by trade affected layoffs). We also have choices which is the Temporary Assistance for Needy Families Employment and Training Program and the Supplemental Nutrition Act employment and training programs and both of those are employment program for low income individuals receiving public benefit. TWC also administers the subsidized child care program which provides child care assistance to individuals in need. As well as the Chapter 133 apprenticeship program. That apprenticeship program provides a job and ongoing education and training to apprentices as they progress throughout their careers. We also administer a portion of the Senior Community Service Employment Program which help to provide services to older workers. There are a couple of other partner programs that are outside the purview of TWC which are the National and Community Service Act of 2007 programs, and non certificate post-secondary career and technology training programs, which I think most of you are familiar with. And I would just note that a full description of all of these programs can be found on TWC's website, so if you're interested in learning more about any of these programs there's a very very detailed description for each. Thank you Jason.

Slide 12: So one big question that we've been getting from the adult education literacy field, does an adult education program have to be part of the one stop delivery system and be part of the memorandum of understanding and share infrastructure cost? And the answer is yes. On November 2, 2016, TWC signed assurances with the U.S. Department of Education related to designating AEL grant recipients as full partners in the one stop delivery system. This requirement will be included in the year for contract that is being developed at this time and the AEL system, the 34 grant recipients currently in place across the state, will be full designated partners in that one stop delivery system. I'm going to turn it back over to Jason to discuss the memorandum of understanding.

Slide 13-14: Thank you Anson. The WIOA requires that all partners enter MOUs by July 1st, 2017 and those virtually should already be under way right now. For us, system partners that had MOUs in place for years, the new component of the MOUs are the required infrastructure funding agreement which we will certainly dig into in a little bit more detail later in the in the webinar.

Slide 15: So looking at the MOUs, what must be in those MOUs, there are a number of key items that are highlighted here for you but those include service delivery coordination and responsibility amongst partners, referral the customers between Partner Programs, methods to ensure that individuals with barriers to employment have access and then the critical component that we're going to cover today is the plan identifying how those cost the services in operating cost will be funded. Slide 16: Due dates in the checklist again as we mentioned earlier those MOUs must be executed by July 1, 2017. However we do have a little bit more flexibility on the infrastructure of funding agreements which are a component of the MOUs. Those don't have to be in place until December 31, 2017. So we essentially have an additional 6 month window to be able to work out those infrastructure funding agreements. Even though we do have more time to execute those agreements, those are going to be somewhat complex in nature, so we would encourage everybody to start thinking about those strategically right now engaging with partners and in the initial steps to develop those agreements.

Slide 17: So we really wanted to highlight that this really is the system focus, it's not just the focus on co-location. WIOA really brings with it a focus on the systems versus that simple co-location of services among partners. I think for us, you know fortunately in Texas, we've been operating in this manner for a number of years and when you look at us from a national level, we're really seen as a leader when it comes to operating a truly integrated workforce system. That's a testament to all the efforts that system partners that given throughout the years and really focusing on providing the most value to our customers as possible, regardless of program affiliation. It's also important to note that infrastructure funding provisions apply to all partners, regardless of whether they are physically present in a local office or not; we'll talk about that in a little bit more detail later.

Slide 18-19: So next we're going to cover the common identifier that Anson mentioned earlier. The WIOA requires the use of a common identifier as a means to comprehensively brand the workforce system nationwide. For us here in Texas, this can be accomplished by adding a tagline which reads "the proud partner of the American jobs center network" to your existing logos. One thing that I would note, whenever the proposed regulations were out they were very restrictive around using a new logo and completely rebranding the system. That was one of the things that we and other states were very vocal about that you know if taken us as a system years, and taken you local years to establish your brand so we didn't want to lose that all together. Fortunately we were able to get some flexibility in the final regulations that allows to use the taglines, so we can keep our existing brand and just add the tagline as a footnote.

Slide 20: I would highlight that all customer or public facing materials must include the new tagline by July 1, 2017. Noting that existing materials can be used until those materials run out. Some of the questions we've been getting in and we've been asking ourselves have to do it with tagline and to what extent does it reach down into partners and sub-recipients in the one stop system. And so digging in, we see in some of the guidance has been sent out. As of July 1st, this identifier for the American jobs center in the Proud Partner of the American jobs in the network need to be in place on all part of program activity services electronic resources, facilities and related properties. But note that one stop partners may use additional identifiers on their products, programs, activities, services, etc. And so we've been looking at this, and this is actually one of several areas where there is still come question that we are working with the feds on but we are taking this opportunity to kind of implement something that been in the works for a while and that is a a branding effort for adult education and literacy. So we have asked our adult education literacy advisory committee to work on this is one of their tasks this year to gather information on a brand that would replace AEL or adult education literacy with something perhaps a little bit more snappy and then at the same time, start to work in the use of the American jobs center as part of a sub-line on a branding effort. So this is still in development but it is something to look forward to that we will be working with you on in probably getting some ideas from the field on. It is a good opportunity for us to kind of bring a message of one system but still have local identifying elements. I also bring up the fact in Item D on the slide, underscores that we would not be doing any effort that would not allow local school districts or colleges to continue to use their own logos or brands we know those are sometimes sticky areas in terms of negotiation and that local institutions have their own requirements on publications and other things. We're gathering more information but it seems like while there are some requirements to the use of American Job Center, there is also some flexibility available in terms of how we can implement that at the local level. So a work in progress but I think an area that will help come out as one system with also perhaps a bit more exciting name for the adult education literacy system.

Slide 21-22: So let's move on to one stop operating budget and costs and start to get into the meat of some of what in the regulation and information that we shared the beginning in terms of resources. So the one stop operating budget can really be seen as kind of a financial plan or a master budget, which they did created by the one stop partners, the C.E.O.s of the board of the local area, and that they are in agreement on the budget. But it would probably contain a series of sub-budgets or individual budget that would be constitute the portions and share from the different partners in that one stop system. And then there would be some breakout of the infrastructure costs which we're talking about in this webinars and then what are known as additional costs and the additional cost. I'll tell you now will be the topic of another webinar because they take this into more detail that is probably more than we could get into in one single webinar but these additional cost with include the cost for applicable career services which could be shared across partners, and also other shared operating costs and shared services that would be related to the operation of the one stop delivery system. And these would be to things that essentially fall out of infrastructure cost. This might be a good way to kind of conceptually look at this.

Slide 23-24: We have kind of the master budget of the one stop operating cost budget and then to one side you have an infrastructure cost and then these other additional costs; the career services and other operating costs and services. As I said, these will be covered in a future webinar.

Slide 25: One thing that gets brought up and that I think is one to keep in mind, especially while we're at the beginning of this is that when we're developing kind of an evolving system like this, there's going to be a need for PIRA-periodic reconciliation of these budgets. So the guidance is very specific about ensuring that there is periodic reconciliation to get the actual cost to occur and that the master budget and the other sub-budgets are adjusted accordingly. The reconciliation kind of ensures that the budget reflects a cost delegation method that demonstrates how the infrastructure costs are charged to each partner in proportion to the partner's use of the one stop center and the relevant benefit of received. We're going to talk more about one stop usage and the relative benefit in just a moment. So the one stop operating budget may further be refined by the partners as needed to assist in tracking their contributions. Maybe necessary at times to separate the budget into a comprehensive one stop center, from a specialized one stop center also or an affiliate one stop center. So these are some things we're going to get into a little bit more detail in just a second but the bottom line I think is there that there is going to be a very, I would say intricate budget that needs to be developed that involves multiple parties and that is going to be somewhat organic or evolving, and this need for periodic reconciliation. I can tell you at the very beginning in the first year of implementation is going to be something that we need to be very cognizant of because it will probably be very difficult to figure it all out at the very beginning because of the complexity and kind of the newness of some of these things.

Slide 26-27: So let's move on the part five and look at exactly what do we mean by infrastructure costs in the first place. So what are infrastructure costs? Well these are essentially the cost of the one stop delivery system that are defined it non personnel cost. The cost that are necessary for the general operation of the one stop center that include the rent, the facilities that the services are operate in, utilities, maintenance, equipment cost, technology related costs for the one stop center, including the cost for planning outreach activity.

Slide 28: So when we say infrastructure we mean non personnel cost and that means not staff cost. I know when I have these discussions with individuals in the adult education and literacy system, the first thing they think of is shared classrooms that are in one stop centers and the cost of teachers that are teaching in those centers and that's not what infrastructure costs are, those are personnel costs. And those that get addressed in the additional cost budget but they do not count toward the infrastructure cost. So these can be services that are performed by vendors or contractors and so this is an important part to bring up so if there are technology related services. Say an organization is contracted to provide IT support to the one stop center, or a security guard service is contracted to perform security for the one stop those even though they are people are actually considered non-personnel because their contract services with a vendor. So that's an important new one because sometimes those can be very expensive costs. But they are persons, but they are not personnel of the one stop partners. If you were to hire the school district security guard to come and do a round around the one stop center every thirty minutes or something, that would not count toward the infrastructure cost because the school district is one of the partners if it was an AEL partner and that would be an employee of the school district. But it was an independent vendor that was being paid ABC security system, then that cost could count. So some complexity there but something very important to keep in mind because often security and IT services are contracted out and those can be included out in the infrastructure costs as a vendor service.

Slide 29: So what does not count again? So if we look at what doesn't count, we mentioned that personnel costs are not infrastructure costs. So personnel cost include wages, salary fringe benefits, etc of employees of the partner programs and the examples that I gave earlier apply here so the instructor in a class at an one stop center cannot be used as an infrastructure cost. Also, if there is a greeter that would be at the one stop center as a welcome guest who directs employees or customers to come in and that greeter is employed by one of the partners, that is not a infrastructure costs--that would be considered one of the additional operating costs, that will be in the webinar forthcoming. So these would not be personnel costs, but they would be identified as additional costs.

Slide 30: So, contribution parameters-- partner contributions must be consistent with the programs authorizing statues and regulations as well as the OMB uniform guidance of the uniform administrative requirement guidance. Those of you that are listening that are in the finance offices will know these requirements very well. But the cost, back to the authorizing statue, the costs must be an allowable cost under whatever partner's statue. So AEL contributing infrastructure costs must be items, services or equipment that are allowable for purchase under the AEFLA grant or the title two grant.

Slide 31: So with that I'm going to turn it back over to Jason and kind of talk about a little bit of history here. I know the AEL system is probably listening and I'm saying while this is a really new area for us, we've never really looked at things quite this way in terms of a partnership and contribution of costs but it is not as alienated concept to the workforce system. I'm going to turn it over to Jason in talk a little bit more about them. Fortunately for us, using cost allocation methodology is allocate costs among partners is something that that we've certainly been doing for a long time. I would imagine that many of the workforce out there or or at least some are already working with some of the adult education and literacy grantees on these type of agreements as well. You know we're again we're very well positioned in the fact that we've been integrated system here in Texas for a number of years. So we have many of these partner programs that we talked about earlier in addition to a number of other additional partners who are physically present in Workforce Solutions office right now. So in order to come up with budgets, our workforce development board had for years created a cost allocation plans that factors many of the thing that we're going to be talking about here today. So we have been doing this for a while, we have experience, you're going to have a really good partner with your local workforce development boards out there. So many of these same things were placed under WIA. There are some resources that DOL is working on revising and redeveloping right now specifically a resource sharing for one stop publication and then a one stop financial management technical assistance guide.

Slide 32: All right thank you, Jason. So I want to underscore a part that's very important for us to keep in mind, is that all partners, the designated one stop delivery system partners, must contribute to the infrastructure costs. So all required partner programs including AEL are required to share infrastructure costs and certain additional costs. The required partners, must contribute based on their proportionate use and the relevant benefit received and that contribution has got to be allowable under that statue that I identified earlier.

Slide 33: One thing that is important to know that we mention the common identifier, this American jobs center tagline, that cost in the development of signage or other types of cost letterhead and other things that are public facing documents; those cost can be included in this infrastructure costs. So definitely in the initial period here in the first year as there are big outlays, perhaps for signage and rebranding, those are things that can be worked in with the partnership book that will be sharing this brand. I think that's a kind of a nice message to kind of say that there will be everyone sharing the burden but that will be something that could be identified as an infrastructure costs.

Slide 34: So let's talk a little bit about proportionate use and relative benefit. I think this is one of the areas where we've all been looking definitely here at TWC for good guidance from the feds and and I would think Jason would agree that this is going to be an area that we're going to really see evolve as we see it play out because there's only so much we can kind of figure out right now with the available guidance but local programs are going to be instrumental in helping provide us feedback in ways that these kinds of calculations can be made that are achievable and don't pose a tremendous burden on development. So the examples of what we mean by the term proportionate use, means maybe AEL world, to what extent does the AEL provider have a physical presence at the center. And in the relevant benefit is to what extent does co-enrollment, for example occur. These are just examples of a ways to start to think about these terms.

Slide 35: On the proportionate use side, it refers to the partner programs contribution, so its fair cost in proportion to the use of the center by students and participants in the program. So if one student in five hundred at one stop center is an AEL student, that would be much different then if one hundred students out five hundred are using this center. So to proportionate impact of the usage of the center by the partner program in this example, AEL. It can also be seen as the amount of square footage that would be occupied by the partner program in the one stop center or there could be another allocation that would be consistent upon one's guidance.

Slide 36: The relevant benefit is the one that I think is going to be a little more complicated perhaps than one that appears to be consensus amongst the other states that are working on this. We've had some recent conference calls for the other states but it's one that a lot of folks are trying to figure out the best models for this. But the relative benefit received from participating in the one stop delivery system is just kind of one more step in this cost allocation process determining the relevant benefit does not require partner to conduct any absolute or exact measurement. These are kind of the words of the federal guidance and so they seem to be leaning on don't overbuild your calculation systems and try to come up with systems that are simple enough but have a degree of accuracy and at a reasonable for scaling and for implementation. The uniform guidance requires that the process that assigning a cost or group of costs to one of more of the objectives must be reasonable in proportion to the benefit provided. The measurement of a one stop centers share of infrastructure complement be based on a reasonable map that it is agreed upon by all partners. And I know we've been getting feedback who are Q&A survey that I'll reference in just a bit that they're concerned that these budgets will be developed outside of the partners then be given to them to pay for or to contribute to. The federal guidance is very clear that this is a partnership and that there need to be agreement across the core partners. I want to underscore that to alleviate those concerns and that partner, and to continue with the bullets here, the partner contribution that are initially based on budget amounts must be reviewed and reconciled periodically during the year. This is what I mentioned earlier about, you're going to make a very educated and calculated guess based on available historical information of the past perhaps, but as these budgets start to be implemented and customer accounts are calculated and impacts in terms of usage are being measured. There will be a need to go back and reconcile to make sure that those initial allocation amounts and initial proportions are accurate and accountable. And that of course, the adjustments of would need to be made to ensure that each partner contribution is a proportion to the use and benefit from the services.

Slide 37: There's also a service integration requirement. So all partners including AEL must provide access to their programs in the services. There the requirement to pay, but also or to contribute to these infrastructure costs but also a requirement to make AEL services and other program partner services available to the one stop system. Inn Texas, I think we've been doing a really good job who are work force integration efforts to start to build the co-enrollment models, these shared service models and we have excellent examples from our workforce in AEL systems in the state that are probably national class models of interworking organic systems that are bringing greater value to the students. So this can apply to applicable career services and we will cover that engagement in a future webinar, but career services are some of the core services provided in the one stop delivery system, and that have historically been provided to one stop contractors and others. Now all full partners in the system can have negotiation in which their other partners and availability to provide those services themselves and we see that actually happening already in some centers in Texas where the AEL provider is providing the assessment services for the workforce center as a whole through all programs. So that shared assessment or shared career services is something that can factor into these other additional cost and budgets. So there's a lot of push here and think to not only see this infrastructure costs requirement as a necessary element of being part of the workforce system but there's this shared benefit and shared leveraging of the strengths and the value that each of the partnership brings to the system to create, I think a greater system at the end.

Slide 38-39: I want to turn it back over to Jason here and talk about something that we've referenced a couple of times but that is the difference between what would be considered a comprehensive workforce solution center or one stop center, and then what I refer to as affiliate site centers. Now Jason, please take it away.
Sure, there are really two key types of site here we have our comprehensive workforce solutions office. So that's a physical site where all the partners are either physically present or there is a direct linkage to services there. We will talk a little bit more later about directly linkage to the

services and what that completely entails. As we note here, it can include any additional partners outside of the required partners that we talked about earlier and each workforce area must have at least one comprehensive one stop center. So we'll have at least twenty eight of those across the state, however, you could have an area that has that has more than one comprehensive one stop center or workforce solutions office here in Texas. Then our second key type of site is an affiliated site. A

Slide 40: An affiliated site can take a number of different approaches. These affiliated sites could be could be a specialized center where maybe you have one standalone program, for instance you might have a standalone youth center that's a title one funded youth center. You could also have any type of a set up where you have two or more partner programs available would be considered an affiliated site. And so with these affiliated sites, for those partners that are a part of that affiliated site, infrastructure funding would be applicable, However, for those partners those required partners that we talked about earlier that are not a member of that affiliated site, they would not be accountable for those in the infrastructure funding requirements. We wanted to provide a couple of examples of the affiliate sites, again, these can take a number of different approaches. One that we've highlighted here are workforce solutions office staff that are present in a public library or any other type of a partner location; either on the tenor basis or on full service basis. One that I know many of your familiar with would be workforce staff who are at a community college or visa versa helping to provide services to a common customer.

Slide 41: So we mentioned earlier that only those partners that are physically there participating, I say physically there, that participating in the affiliate one stop center would be required to contribute to infrastructure costs. This does include the one stop affiliate centers where access there to the program services and activities and so one of the things that I wanted to note there when it comes to infrastructure costs and then the direct linkage; even if a larger program as we mentioned earlier is not located on site of that comprehensive or core center there has to be a direct linkage to that partner. And I want everybody to be aware that that doesn't simply mean providing a generic phone number or a website.

Slide 42: A direct linkage constitutes a real time connection with program staff that can help to provide assistance to the customer. So really regardless of whether you're physically there, and physically present or you're offsite, it's about adding value to the customer and the customer being able to connect and obviously receive valuable information from the partner that it's not there or actually be able to speak to staff that can help them out.

Slide 43: So one thing I want to underscore that is important is that when there are multiple AEL partners in a workforce area. We have examples of this but when two or more AEL grant recipients or sub recipients of a required partner are carrying out the program in the local area. So for example in North Central Texas, in central Texas Permian Basin, we have multiple providers within one workforce area. These entities must all contribute to the infrastructure costs. This includes any affiliate centers, if those partners are contributing to the affiliate center. So AEL consortia, sub recipients must also contribute and this is most likely would be built in sub-recipient contract budgets for consortium partners. I think that'll be an area that will get some questions on to really figure out how those budgets will be worked out in the areas where there are multiple AEL grant recipients.

Slide 44-45: So I want to move to infrastructure funding methods, part seven here, and look at the different ways that these contributions can be provided. There are a essentially three different ways, cash; so cash funds can be provided either directly or through an interagency transfer or by a partner, and then noncash expenditures that are incurred by one stop partners on behalf of a one stop center. And non-cash cash contributions of goods or services contributed by a partner can be used as methods of contributing to the infrastructure costs. And then third party in-kind contribution, so these need to be space, equipment, technology, non-personal services or others that can be leveraged to support the infrastructure costs of the one stop operations and support the one stop partner.

Slide 46: So I want to talk about cash in more detail but, I do want to say that the non-cash in third party in-kind contributions are still under review and won't be described in this webinar, but we are still reviewing those here to the TWC, in terms of guidance so there will be more information on those methods forthcoming from TWC.

Slide 47: But back to the cash contributions, for AEL specially, and actually this guidance is different depending on which partner program is contributing. But for AEL, the contributions must be from the local administrative fund, so from the admin fund of AEL, and the contribution made using AEL funds may not exceed the amount of the administrative costs that are under statue for adult education and literacy.

Slide 48: And so just to remind folks what these limits are for AEFLA Section 231, that the general program services that is not more than five percent of the local grant costs are the admin costs but there is a special rule in AEFLA, section 233 B, that allows for there to be an increase in the admin cost if they're too restrictive to allow for the activities of the eligible provider that these admin costs can be negotiated with TWC to higher levels to determine adequate level of funding to be used for non-instructional or administratively purposes. So some flexability provided in statute to go above the five percent admin limit, so keep that in mind as we move forward thinking about infrastructure costs. For AEFLA 243 or the EL Civics funding that is a five percent admin cap just as the General Services Programs are. Then TANF contributions can be up to fifteen percent of the administrative funds. So some of the parameters that guide in terms of cash contribution local limits, as well as, some flexibility provided on the AELFA side, in terms of cap and limitations and how to to find some flexibility there. Unfortunately things are a little bit different on the AEFLA side than they are on are with some of the other programs that are represented, the vast majority those infrastructure costs are paid from the program side of the house. So the issue certainly is not extreme as it would be on our AEL providers. Now that's a good point and I think that a probably the biggest concern that we had initially and that we've been sitting, waiting and commiserating over for a while knowing that restriction. We are working with our finance department in looking at the options we have available so, if creating some consternation locally when you hear that, you know that you know that consternation started here when we first read the draft regs and the final regulations but we're in front of it and coming up with the option that will be able to make this workable for everyone.

Slide 49: So I mentioned earlier the additional costs that are going to be very important in these additional cost, in some ways represent some of the things that may be first come to our mind normally think of integration and that is classes, shared services in the resource room, testing and things like that. But those really fall into these applicable career services and these operating costs. We're still developing guidance around those additional cost and those will occur in a future webinar.

Slide 50-51: So we want to conclude here with some guidelines on kind of how to start locally. The first thing that I think who we would all agree on it that on if you're an AEL provider reach out to your workforce board, if you haven't already been contacted. We've really been talking about this for months now but this is the time for sure to reach out to the workforce board and get this conversation going as a team. A lot of this information is brand new coming out in terms of guidance from the DOL, Department of Labor and Education. So many of this information is new also to the workforce boards and so it's a very good time to start. Read the guidance and identify the appropriate staff, so those of you that are in AEL program in colleges and with school districts, etc. We've already been having our conference calls with the finance department, initiated last month and we mentioned this is a topic that these finance offices have to be engaged in. I know sometimes adult education and literacy is not the first thing on the CFO's mind at a college or a school district but definitely that expertise is going to be needed to begin these negotiations with the local boards and with other partners. So I also want to say that negotiations in cost sharing, keep in mind these must be conducted in good faith in open transparent environment with full disclosure of costs and funding. Again, I know there's been some concern about you know not being included in these discussions. There's full expectation that all the partners are brought to the table and that the environment is developed in such a way that the budget is developed and such a way that is it meet everyone's needs and everyone agrees with it and has been a full partner in the negotiations. Some other areas in terms of how to start but really getting down to developing an infrastructure costs budget. And a budget for these additional costs because that will come into play these career services and other shared services are really developing methodologies that are reasonable acceptable across the partners selecting a methodology that can be applied across different cost category. Then really having partners focus on identifying the methodology that most effectively allocate based on that proportionate use of their relative benefit received.

Slide 52: Four bullets there but those are very thick bullets that really be a lot of detail that have to happen a lot of complicated work that has to go on. So it is really kind of outlining really considered process. I would kind of end by saying we've really got to roll up our sleeves and think about putting some consider time into this. One of the driving concerns that I have and that we are working on here, is that we have to work with the adult education and literacy system right now in the next months on developing budgets for the year for contracts. So getting to these costs has a limiter in terms of we've got to get to the costs in order to get them also into contracts that have to be agreed upon and signed in a place by July 1st. So there's a requirement you know for the MOU and things by July 1st to get the infrastructure cost discussion going but that recall from Jason's earlier comment, the infrastructure cost but it don't have to be finalized has agreements until January, but we really have to have some initial budget developed for the AEL contract in July. But know that if that changes between July and January, we will have to have a mechanism for updating that locally. Our finance department is working with us on some method in in or kind of affectively do that and not create some undue burden locally or to create just a challenge our end contracting wise. There is some, I think, very important areas that are unique to a contracted program like AEL and we are considering them. But I would not also pretended I don't think Jason would either to know at all. So I want to open this by encouraging everyone, workforce partners, as well as, AEL provider to complete and submit any questions you have related to MOUs, infrastructure costs or career services to the link that provided in this webinar. We've already gotten questions coming in, but we anticipate a lot of questions to come in and we would appreciate them to be focused through this link so that we can easily collect them and sort them and review them, but we do want to engage you on that. A work group is being put together here at the agency with local program partners so you may be hearing about that. We want to do this is a partnership from the state to the local areas because we are only as strong and knowledgeable as what we hear coming out from the local areas in terms of implementation especially on something like this that has such a fine, delicate kind of calculation developed at a local level. So, Jason, did you want to have any concluding remarks here before we sign off? Anson, I think and in light of the comment that you've made in the things that we've discussed throughout this webinar, I really encourage everybody to hang in there. I mean there's some heavy subject matter here to wade through certainly. Be reassured that we have great resources both locally and the state level that are that are going to help everybody through this. Fortunately, our workforce boards have been using the cost allocation principles for a number of years in working with the partner programs out there now obviously there are going to be some tweaks to the process you know based on some of the things that we covered today, like the proportionate share of benefit received and how that periodically reconciled. Again, we do have systems in place and I think we're certainly in good shape when you when you compare that to other states that are that are dealing with some of the heavy issues right now. I encourage everybody to hang in there and know that we're going to get through it. Slide 53-54: OK, with that we're going to sign off and advise you to get this webinar, we have it on a link you can download a Power Point through the portal, and submit your questions and then share this webinar with your partners and maybe even use this as a jumping off place for some of those initial meeting. But we want it to be out there for use, and know that we will be collecting your questions using those to help generate a future webinar that will also address some of these other areas related to additional costs and perhaps more information on the infrastructure costs contribution model. So thank you very much and we look forward to hearing from you.