

Hi everyone,

We (the individuals below signing onto this email) want to thank Dylan for his efforts to begin putting “real” numbers together on projected shared costs for the required partners’ contributions to the American Job Centers. We do have concerns with the proposed Annual Funding Agreement formula presented by Greater Nebraska and in the spirit of collaboration want to propose an alternative formula that provides a greater connection to “ability to benefit” as required for all partners. We are sending this to all of you as we believe consistency in the formula between the American Job Centers is the best approach and hope the agreement between the partners signing onto this email will facilitate the process and move it forward more quickly for all of us and the individuals we serve.

We believe a blended approach is the best method to reflect our programs’ ability to benefit. There are three distinct areas that can be defined in a way that connects to an appropriate rationale.

1) *Infrastructure costs for co-located partners.* The lease costs for state agencies are negotiated and administered by the Department of Administrative Services. Assigning the costs of basic infrastructure costs (the space, some common areas, and associated costs with “turning the lights off and on”) have been typically a part of the lease costs and are tied to the square footage based on each program’s occupancy. The percentage of square footage is apportioned to each program for common areas such as hallways and break rooms. We believe this reflects the “ability to benefit” for each co-located partner and is not an appropriate cost for non-co-located partners.

2) *Infrastructure costs for areas potentially available for the use of those served by all required partners.* During the Annual Funding Agreement meeting on Friday, August 18th, there was discussion that the resource rooms, conference and meeting rooms, board meeting costs, and outreach materials might be some of the possible infrastructure costs that all workforce customers could potentially benefit from. We agree and believe, as a temporary solution, the “ability to benefit” can be reflected by the number of individuals served by each of the required partner programs as they could “potentially” be referred to and served by the AJCs and therefore “potentially benefit.” The shared infrastructure costs would be apportioned

to each required partner by the number of consumers served as a percentage of the total number served by all partners.

3) *Other services or additional eligible costs and activities.* Other costs such as Resource Room Navigators should be apportioned based on the same percentage formula described in number two- the number of individuals served by each program as a percentage of the total served by required partners.

There are several contingencies that are necessary to make sure all have the same understanding as we move forward:

- The definition of numbers served is determined by each of the required partners based on their federal or program definition of who is served. We will trust all partners to make this determination.
- ALL required partners report the numbers they serve. If any partner does not report the numbers served so the formula can be fairly applied to all partners, it should be assumed that we do not have consensus on the Annual Funding Agreement.
- Definitions of the area to be reflected in the numbers served for each American Job Center must be clear and the same for each required partner. Greater Nebraska has changed the definition for the areas they want data on which has led to a discrepancy in numbers reported by the program partners. In addition, exempting partners who are not co-located from providing numbers results in an inequitable formula.
- Nebraska Commission for the Blind and Visually Impaired and Vocational Rehabilitation are to be treated as one program for the purposes of calculating numbers served and percentages for anything other than infrastructure costs for co-located programs. The combined programs are to be considered as a single core partner. This is reflected in WIOA rules and regulations and guidance. The split between NCBVI and VR is based on an agreement that apportions the federal VR dollars that come to Nebraska and will be determined independently by those two agencies.
- This formula will be in effect for ONLY the first year of the Annual Funding Agreement. We understand the difficulty the AJCs have with

developing an acceptable formula which can account for the ability to benefit by all programs. We are willing to base the formula on “potential benefit” as a temporary solution. Our expectation is the first year will be used to track a) the number of referrals made to required partners and b) the numbers of individuals served by the AJCs, as categorized by consumers of the required partners, to be used to establish the basis for the next year’s Annual Funding Agreement. We believe the individuals served by the AJCs best establishes the percentage of contribution to be made by partners based on the consumers directly benefitting from services.

- The AJCs develop a proposed budget that breaks the costs into the three areas defined by the method for determining partner costs with the corresponding formula for the basis of projected shared costs. The format should be consistent between all the AJCs.

We believe the proposed approach reflects the research we have conducted with other states and our federal partners as to a formula that best captures “ability to benefit” for all consumers of the required partners until such time the formula can reflect consumers directly benefitting from AJC services. We have not run the numbers to determine the impact on our programs or other partners as this can’t be accomplished until we know the proposed budgeted amounts for each of the AJCs and the numbers served counts for all partners. Our proposed formula is simply based on what we believe would best reflect “ability to benefit” for each partner as a temporary solution.

We hope you will take our suggestions into consideration and encourage you to set up another combined meeting or regional meetings with the rest of the required partners so we can move forward to reach agreement on a shared cost formula. We look forward to hearing your comments on the proposed formula and remain open to any suggestions and modifications or other ideas you may have.

Thank you!

Mark Schultz
Deputy Commissioner
Nebraska VR

Joint Letter from Core Partners

Carlos Servan
Executive Director
NCBVI

Tate Lauer
State Director
Adult Education

Lorena Hernandez
Administrator
Workforce Services

The above individuals are signing on in behalf of the programs of Vocational Rehabilitation (VR and NCBVI)-core partner, Adult Education-core partner, Wagner-Peyser Employment Services-core partner, Jobs for Veterans State Grant-required partner, Trade Adjustment Assistance Act-required partner, and Unemployment Insurance-required partner.