# Attachment L

# PROCEDURE FOR INDIVIDUAL TRAINING ACCOUNTS

**Purpose**

To identify requirements established by the Greater Nebraska Workforce Development Board regarding the establishment of an individual training account and the limitations placed on the account.

**Policy**

The Workforce Innovation and Opportunity Act mandates that all training services (except for limited exception identified later in policy) be provided through the use of Individual Training Accounts and that eligible individuals shall receive ITA’s through the one-stop delivery system. [Section 134(c)(3)(G)] ITA’s are funded with adult and dislocated worker funds authorized under Title I of WIOA. ITA’s are not allowed for youth participants [age 14-21]. However, individuals age 18 and above, who are eligible for training services under the adults and dislocated worker programs, may receive ITA’s through those program. ITA’s pay for training services for skills in demand occupations as defined by the local Workforce Development Board (WDB) from training providers on the approved list of eligible training providers. Payments may also be made incrementally, through payment of a portion of the costs different at different points in the training course.

Approval of ITA’s will be made by Regional Managers.

## Local Individual Training Accounts policy must incorporate the following:

1. How participants will receive assessment, counseling, and an individual employment plan through intensive services prior to selecting a training program.
2. How the training will be limited to skills relevant to demand occupations. The manner in which participants will learn of the demand occupations of skills. How exceptions to the list of locally recognized demand occupations will be handles. The law allows for the local WDB to approve training services for occupations they have determined to be in sectors of the economy that have a high potential for sustained demand or growth in the local area. The demand occupations or skills are to be contained in the local workforce development plan and the local WDB must be involved in the exception process.
3. How the ITA training services policy will be communicated in simple, understandable language to customers of the on-stop center, including delivery methods.
4. How the participant will have access to the list of eligible providers through the one-stop system. Participants must be able to select WIOA training services from any eligible training provider from any of the local areas on the state list. The Nebraska Department of Labor shall compile a single list of eligible providers and it will be posted on the internet. [Refer to Eligible Training Provider Policy]
5. Whether the ITA covers books, fees, or other instructional materials in addition to tuition.
6. The duration of the ITA. [Must be described in local workforce development plan.]
7. How the value of each ITA will be determined (e.g. will there be a cap on value, will the cap vary for occupations or populations etc.) a range of amount may be established and/or a maximum amount applicable to all ITA’s may be established. If a dollar amount and/or durational limit for an individual participant is established, how such limit(s) will be based on the needs of the participant as identified in the individual employment plan. Dollar amount and/or durational limitation established by WDB policies must be described in the local workforce development plan. Limitation established by Local Board policies should not be implemented in a manner that undermines the Act’s requirement that training services are provided in a manner that maximizes customer choice in the selection of an eligible training provider. ITA limitation may provide for exceptions to the limitations in individual cases.
8. A process for documenting how other sources of funding were sought prior to ITA (e.g., Pell Grants, scholarships, one-stop programs other than WIOA. Etc.)
9. The internal procedures for evaluating, endorsing, publicizing and facilitating access to training services.
10. A formal process for tracking WIOA Title I expenditures paying for the individual’s training.
11. The methods for disbursement of funds. Only training providers that are on the list of eligible providers are able to redeem ITA’s for payment.

## Limited Exceptions to the Use of Individual Training Accounts

Individual Training Accounts are the primary method for the payment of occupational skills training leading to a degree, certifications, or employer recognized skill certification under WIOA. Contracts for services may be used instead of ITA’s only when one of the following three exceptions applies:

1. When the services provided are on-the-job training (OJT) or customized training.
2. When the local WDB determines that there are an insufficient number of eligible providers in the local area. The local plan must describe the process to be used in selecting the providers under a contract for services. This process must include a public comment period for interested providers of at least thirty (30) days.
3. When the local WDB determines that there is a training services program of demonstrated effectiveness offered in the area by a community-based organization or another private organization to serve special participant populations (as defined below), that face multiple barriers to employment. The WDB must develop criteria to be used in determining demonstrated effectiveness, particularly as it applies to the Special Participant Population to be served. The criteria may include, but are not limited to:
   1. Financial stability of the organization;
   2. Demonstrated performance in the delivery of services to hard-to-serve participant population through such means as program completion rate; attainment of the skills, certificates or degrees the program is designed to provide; placement after training in unsubsidized employment and retention in employment; and
   3. The relevance of the specific program to the workforce development needs identified in the local plan.

The term “Special Participant Population that faces multiple barriers to employment” means a population of low-income individuals that is included in one or more of the following categories

1. Individuals with substantial language or cultural barriers; (2) Offenders; (3) Homeless individuals; and (4) other hard-to-serve populations as defined by the Governor.

Exceptions are intended to meet special needs and should be used infrequently. Those training providers operating under the ITA exceptions still must qualify as eligible providers.

## Consumer Choice

Training services, whether accessed by ITA’s or under contract, must be provided in a manner that maximizes informed consumer choice in selecting an eligible training provider in accordance with the goals and objectives outlines in the client’s individual employment plan.

The local Workforce Development Board, through the local one-stop center, must make available to customers the State list of eligible providers required in WIOA Section 122(d). An individual who has been determined eligible for training services may select a provider from the State eligible training provider list after consultation with a local case manager. The local WDB sets the policies for accessing ITA’s.

## Coordination of Individual Training Accounts with other Grant Assistance

The Workforce Innovation and Opportunity Act requires that training funds be coordinated with other grant sources for training such as the Pell Grant.

The Workforce Innovation and Opportunity Act limits funding for training to individuals who are:

* 1. Unable to obtain grant assistance from other sources to pay the costs of their training; or
  2. Require assistance beyond that available under grant assistance from other sources to pay the costs of such training.

Training providers must consider the availability of Pell Grants and other sources of financial assistance to pay for training costs, so that WIOA funds supplement other sources of training grants. Program operators and training providers must coordinate available funds to pay for training and prevent duplication of payments.

The exact mix of funds should be determined based on the availability of funding for either training costs or supportive services, with the goal of ensuring that the costs of the training program the participant selects are fully paid and that necessary supportive services are available so that the training can be completed successfully. This determination should focus on the needs of the participant and satisfy the three conditions:

* + 1. WIOA funds for training services are limited to instances when there is inadequate or no grant assistance from other sources.
    2. Duplicate payments of costs when an individual is eligible for both WIOA and other assistance including Pell Grants must be avoided.
    3. Participation in a training program funded under WIOA may not be conditioned on applying for or using a loan to help finance training costs. Program operators and training providers must coordinate by entering into arrangements with the entities administering the alternate sources of funds, including eligible providers administering Pell Grants. These entities should consider all available sources of funds, excluding loans, in determining an individual’s overall need for WIOA funds. The WIOA counselor needs to work with the WIOA participant to calculate the total funding resources available as well as to assess the full “education and education related costs” (training and supportive services costs) if the participant is to complete the chosen program. Section 134 (c)(3)(B)(ii) permits a WIOA participant to enroll in a training program with WIOA funds while an application for Pell Grant funds is pending. However, the One-Stop Operator must be reimbursed if both funding sources end up paying the same costs for the same client. When the agreements negotiated are performance-based contracts, one stop center must prohibit training institutions, or organizations from holding the student liable for outstanding charges, Otherwise, the performance agreements would be undercut because the incentive for the organization to perform would be removed.

## Local policy shall include these items related to coordination of ITA’s with other grant assistance:

1. Formal procedures so participants will be assisted early in the assessment process, as appropriate, to establish eligibility for Pell Grant funds and other forms of financial aid. This includes helping workforce system customers access the Free Application for Federal Student Aid (FAFSA) application and navigate between the financial aid office and the One-Stop Career Center. [Refer to the State WIOA policy on Pell Grants and Other Financial Aid Issues]
2. Guidelines to determine and document, prior to training enrollment, that to the extent practicable, available Federal, State, and local resources are coordinated sufficiently to meet the training and education-related costs of services, so that the participant can afford to complete the agreed-upon program successfully. Resource may include wages earned by the participant through employment while attending training.
3. The process to be followed by local staff to record the participant training-related financial assistance needs and the mix of funding assistance (employment and training HEA funding) in the participant’s record. Also, local policy will establish methodology to determine the participant training-related financial assistance needs.
4. Procedures and forms to authorize release of a participants’ financial aid information by the post-secondary institution
5. Narrative ensuring the ITA requires the educational institution’s financial aid officer to inform the local WDB staff of the amounts and disposition of any Pell Grants, and other types of financial aid awarded after the enrollment of the participant, as part of a continuing, regular information sharing process. Also, the ITA contains language to ensure that WIOA funds are used in addition to funds otherwise available and are coordinated with these funds.
6. Language specifying that participants are not required to apply for or access student loan or incur personal debt as a condition of participation. However, the participant may

incur personal debt when agreed to and after counseling regarding the responsibilities associated with the indebtedness, including loan repayment. Such counseling must be acknowledged in the participant’s record.

1. Safeguards to ensure contracts with post-secondary institutions prevents participants from being billed for outstanding charges.
2. Operating procedures concerning the cost of training and training-related expensed that reflect prudent fiscal management resulting in outstanding customer satisfaction. Every effort should be made to honor the commitments made to clients. However, clients must also understand that they must assume equal individual responsibility for the success of their training.