

Arkansas Workforce Investment Board

Guidelines and Procedures for Individual Training Accounts

The Workforce Investment Act mandates that all training services (except for on-the-job training (OJT) and customized training) be provided through the use of ITAs and that eligible individuals shall receive ITAs through the one-stop delivery system (Section 134(G)). The following policy is applicable for all adults and dislocated workers provided training through Title I funds under WIA. Training is not an entitlement under WIA. Eligibility requirements for training services are stipulated in the Act at Section 134(d)(4)(A)(B).

Use of Individual Training Accounts (ITAs) for Training – An ITA is an account established by a one-stop operator on behalf of an eligible individual. ITAs shall be used in exchange for skill training that is directly linked to occupations in demand, using training providers at institutions on the approved list of eligible training providers (Sections 134(F)(ii) and 134(G)(iii)) to cover the cost of tuition for eligible adult and dislocated worker participants enrolled under Title I of WIA, except OJT and customized training. For individuals without substantial barriers to employment, the Arkansas Workforce Investment Board, through the local Boards, will offer ITAs for six (6) months, with the possibility for renewal if the individual is making progress toward employment. For individuals with substantial barriers to employment (20 CFR 664.210; WIA § 101(13)(C)(vi), an extended length of time and amount of the ITA will be determined on a case-by-case basis. Local Workforce Investment Boards shall have sole responsibility for determining whether to pay for training-related costs, including the related costs of books, fees, supplies, and other supportive services. Supportive services are defined at Section 101(46) of the Act and include such services as transportation, childcare, dependent care, housing, and needs-related payments that are necessary to enable participation in activities authorized under Title I of the Act. The eligibility requirements for needs-related payments are specified at Section 134(e)(3)(A) and (B) of the Act. Needs-related payments may include, but are not limited to, costs following training completion, including certification, credentialing, and registration of skill or occupation. Each local board shall also have sole responsibility for establishing any cap on length of time or amount of ITAs and shall develop written policies regarding those ITAs.

The management systems of one-stop operators must be in compliance with the federal and state law by July 1, 2000. The ITA local board policy and one-stop management process must be in written form and effective prior to final one-stop operator certification. The policy must be included in the local strategic five-year plan. The policy must address the following issues:

- How participants will receive assessment, counseling, and an individual employment plan through intensive services prior to issuance of an ITA. These

elements of intensive services are mandatory under state policy in order to issue an ITA. The individual employment plan is defined as an ongoing strategy jointly developed by the participant and case manager. This plan must identify the participant's employment goals, the appropriate outcome achievement objectives, and the appropriate combination of services for the participant to achieve the employment goals;

- How the participants will learn of the occupations that are in demand in the area or in areas in which the participant is willing to relocate and how they will learn of the skills for which an ITA may be issued;
- How the local board will handle exceptions (if any) in approving training services for occupations determined by the local board to be in sectors of the economy that have a high potential for sustained demand or growth in the local area, in accordance with the provisions of the Act at Section 134(G)(iii); how participants will be informed regarding exceptions to the list. The State WIB must be involved in the exception process. The demand occupations or skills are to be contained in the local plan;
- How the use of the ITA will be limited to skills relevant to demand occupations and that are appropriate for the individual client;
- How the ITA policy will be communicated in simple, understandable language to customers of the one-stop center;
- How the participant will have access to the list of eligible providers through the one-stop system (e.g., posted on the state or local WIB internet website, posted at local one-stop centers, etc.). Participants must be able to use their ITAs to procure services from any eligible training provider on the state list or from any eligible training provider on the lists of other states with whom the Arkansas Workforce Investment Board has entered into reciprocal agreements;
- Whether the ITA covers books, fees, and other education materials in addition to tuition;
- The duration of the ITA;
- How the value of each ITA will be determined (e.g., will there be a cap on value, will the cap vary for certain institutions or occupations, populations, etc.). If so directed by the local WIB, the one-stop operator's policy may offer a higher ITA value for occupations highest in demand;
- A process for documenting how other sources of funding were first sought (e.g., Pell Grants, one-stop programs other than WIA, etc.); a process for coordination with other sources of funding (e.g., North American Free Trade Agreement/Trade Adjustment Assistance) and how such coordination will be documented;

- The internal procedure for ITA issuance, including the appearance of the ITA document that is given to the participant, who may issue the ITA to the participant, whether any signatures are needed, and so forth;
- A process for tracking expenditures of all resources paying for the individual's training, including the WIA Title I funds of the ITA;
- How the participant will be kept informed of his/her account status; and
- The method for disbursement of funds (cash reimbursements, lines of credit, etc.). Only training providers that are on the list of eligible providers are able to redeem ITAs for payment.

Priority and Special Populations for Training Services Funded by ITAs – Local WIBs will determine if training funds are limited in their area. Adult training activities will be available to all eligible employed and unemployed adults and dislocated workers (20 CFR 663.310) unless training funds are limited in the local area. If the local WIB determines that funds are limited under criteria established by the State and the local area in accordance with 20 CFR 663.600(b), priority for adult training activities shall be extended to recipients of public assistance and other low-income individuals in the local area.

The State's criteria for determining whether training funds are limited will consist of the following steps:

- 1) The local board will identify and assess the availability of funds from other training sources for providing employment and training-related services in the local area, including but not limited to, Temporary Assistance for Needy Families (TANF), designated as the Transitional Employment Assistance program (TEA) in Arkansas, the U.S. Department of Housing and Urban Development (HUD) and the Welfare-to-Work (WtW) program. Some training resources may be unique to the local area. For example, some areas may have empowerment zones, federal discretionary dollars, such as competitive welfare-to-work funds, and other resources that are not accessible on a statewide basis.
- 2) The local board will determine whether such funds from other training resources are sufficient to serve all low-income and public assistance individuals in the local area, as defined in the Act at Sections 101(25) and 101(37), respectively.

Local boards may develop other criteria to supplement the State criteria in determining the availability of funds and the process by which the priority policy will be applied, including but not limited to, assessment of the needs of the specific groups and other appropriate factors. Funds allocated for dislocated workers are not subject to the priority requirement.

The priority requirement does not mean that only recipients of public assistance and other low-income individuals may receive WIA adult funded training services when funds are determined to be limited in a local area. The Local Board shall establish a process that gives priority for services to the recipients of public assistance and other low-income individuals and which also serves other individuals meeting the eligibility requirements for such training services. In the event the WIB determines that funds are limited, the priority shall be the following:

- 1) Former or current TANF recipients who are working but who need occupational skill training to increase their wages;
- 2) Food Stamp recipients who are working but who need occupational skill training to increase their wages;
- 3) Low income individuals not eligible for TANF or Food Stamps and who need occupational skill training;
- 4) The working poor who need occupational skill training to increase their wages; and
- 5) Other individuals meeting the eligibility requirements for training services.

This prioritization addresses the State's need to develop the skills of current workers, raise the educational attainment rate of the workforce, and increase personal income while simultaneously meeting the federal legislative intent to assist disadvantaged individuals. The strategy also avoids duplication by ensuring that the resources of the Department of Human Services are prioritized for their intended purpose, while WIA funds are used for low-income individuals who either do not qualify or who have already been initially served and placed in work through TANF and Food Stamps, or through other programs, such as Community Action Agencies, HUD Employment and Training Programs, and other funds that may be available in a local area.

Limited Exceptions to the Use of ITAs – ITAs are the primary method for the payment of occupational skills training under WIA. The following exceptions exist to ITAs for the payment of training services:

- 1) ***When training is provided via OJT or customized training.*** However, the one-stop operator must demonstrate that OJT or customized training are most appropriate for that client. Section 122(h)(1) of the Act provides that “Providers of on-the-job training or customized training shall not be subject to the requirements of subsections (a) through (e).”
- 2) ***When the local WIB determines that there are an insufficient number of eligible providers in the local area.*** The local plan must initially describe the process to be used by the one-stop operator in subsequent procurements. The process for making such a determination must include a public comment period for interested providers of at least 30 days.

3) ***When the local WIB 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 in Section 134(d)(4)(G)(iv) of WIA, that face multiple barriers to employment.*** The WIB must develop criteria to be used in determining demonstrated effectiveness. The criteria may include, but are not limited to:

- (a) Financial stability of the organization;
- (b) Measures appropriate to the program, including program completion rate; attainment of the skills, certificates, or degrees that the program is designed to provide; placement after training in unsubsidized employment and retention in employment; and
- (c) The relevance of the specific program to the workforce investment needs identified in the local plan.

Every provider of adult training services under WIA must submit an application to be placed on the State's Eligible Training Provider List to qualify as an eligible training provider, as specified in the DOL Regulations at 20 CFR Section 663.505, unless exempted as outlined in Section 122.

Special participant populations are low-income individuals that are included in one or more of the following categories:

- Individuals with substantial language or cultural barriers;
- Offenders;
- Homeless individuals; and
- Other hard to serve populations, which are defined by the State as:
 - Individuals with disabilities, including learning disabilities;
 - Older workers (55 and above); and
 - Individuals who are victims of spousal abuse/domestic violence.**

** Special Note: These three hard-to-serve populations have been designated by the State for Program Year 2000 (July 1, 2000 – June 30, 2001). Local Boards may submit written requests to the State WIB for consideration for additional hard-to-serve categories for Program Year 2001.

Coordination of ITAs with other Grant Assistance

Section 134(d)(4)(B)(i)(I) and (II) of WIA limits funding for training to individuals who are unable to find other grant assistance for training or whose financial needs exceed the assistance

available from other grant assistance programs. WIA funds are intended to supplement other sources of funding. One-stop operators must ensure that duplicate payments are not made to training providers for the cost of an individual's training.

Pell Grants are a significant source of grant assistance to economically disadvantaged individuals. The need to coordinate Pell Grant funds with ITAs merits special attention. Pell Grants may be used for a student's cost of attendance, which includes: tuition and fees; room and board; books; supplies; transportation and miscellaneous expenses; childcare; and special costs for students/participants with a disability. Usually a school will use the Pell Grant to credit the student's account for any unpaid charges for tuition and fees and will then pay the remaining Pell (if any) to the student for remaining living expenses.

The Student Financial Aid Program uses the following two figures when calculating a student's eligibility for Pell Grants:

- The Expected Family Contribution (EFC) formula: a standard formula used in determining financial need for Federal Pell Grants and other student financial aid programs. The EFC is based on information the applicant reports on the financial aid application form.
- The Cost of Attendance: an estimate of a student's education expenses for a period of enrollment. These expenses include tuition and fees; room and board; books; supplies; transportation and miscellaneous expenses; childcare; and special costs for students/participants with a disability.

A student's financial need for Student Financial Aid Program funds is equal to the student's Cost of Attendance, minus his/her Expected Family Contribution, minus his/her Pell Grant eligibility, minus financial aid from other public and private sources. In other words, the total aid a student may receive from the Student Financial Aid Program and other sources may not exceed the student's Cost of Attendance. A basic premise of need-based aid is that the total package of aid must not exceed the student's financial need. The amount of a Pell for a student in a WIA program is calculated just as for any other Pell recipient. The amount of allowable WIA funding is determined after Pell Grant eligibility is determined and the actual amount of the Pell Grant is announced (if any).

Local program operators shall obtain a copy of the "Financial Aid Award Notification" form from the financial aid office of the training institution for all WIA-sponsored training participants who are awarded Pell Grants. This form will indicate the monetary amount of Unmet Financial Need to be incurred by the participant. This form will provide documentation that there are no duplications of payment for services related to the client.

Awarding need-based federal aid cannot cause the total Cost of Attendance package to exceed the student's financial need, with the exception of the amount a student may borrow from the Federal Family Education Loan Program (FFELP). Participants are not required to apply for or access student loans or incur personal debt as a condition of participation. However, the participant may incur personal debt when agreed to after counseling regarding the responsibilities associated with the indebtedness, including loan repayment. Such counseling must be acknowledged in the participant's record.

Attachments:

- Attachment 1: Local Board ITA Policy Checklist
- Attachment 2: Sample Participant Activity Flow Chart
- Attachment 3: Sample Customer Occupational Training Agreement

Attachment 1

Local Board Individual Training Account (ITA) Policy Checklist

While it is important that individual customers have choices under any ITA system under the Workforce Investment Act, it is also essential that local boards retain authority to invest funds in training that are consistent with local labor market conditions and appropriate for the individual. Participant assessment and joint decision-making between participants and staff on the selection of a training program and training vendor are important. Local areas need to guide participants because they are still responsible for job placement. Each One-Stop Operator can promote customer choice and retain final decision-making authority to not fund inappropriate choices. Although substantial flexibility regarding design and operation of ITA systems is afforded to local boards, the following activities are recommended by the Arkansas Workforce Investment Board to maximize consumer choice while maintaining accountability for the use of federal funds.

- ❑ Adopt a local policy for issuing Individual Training Accounts (ITA);
- ❑ Establish a cost ceiling for ITAs;
- ❑ Establish approved training providers consistent with the state list published by AESD;
- ❑ Provide orientation for current and potential training providers in the local area on how the local ITA system will operate, e.g., forms or vouchers or other mechanisms that will be used when participants register for training;
- ❑ Identify occupations in demand;
- ❑ When implementing the new ITA system of service delivery at the one-stop level, include staff capacity building activities, such as customer service, modified case management strategies, etc., prior to implementation;
- ❑ When selecting case managers for a customer driven system, local areas may have to review selection criteria as well as provide training to case managers who are less familiar with customer-driven service delivery strategies;
- ❑ Set up teams to support different infrastructure requirements for ITAs. A team for customer related implementation, as well as an automation team may be beneficial;
- ❑ Establish a Training Application Review Committee (similar to a bank loan committee that includes area employers, former training graduates, staff, etc.) at the One-Stop Operator level; and
- ❑ Establish a Follow-Up Committee at the One-Stop Operator level with the authority to terminate an ITA for failure to participate in classes and/or failure to use the funds within the timeline established by the Local Board.

Attachment 2

Sample Participant Activity Flow Chart

While each local area may design the local process for the ITA, the following example may demonstrate a common set of activities that a participant may pursue to secure and use an ITA:

- ❑ First, seek employment through core services and, if necessary, intensive services, including taking the local assessment test;
- ❑ Discuss training strategy with case manager, if previous services have not resulted in employment;
- ❑ Discuss employment interest with case manager and review the scores from assessment test;
- ❑ Establish a realistic employment goal with assistance from the case manager;
- ❑ With assistance from the case manager, conduct labor market review to determine that the occupation is in demand and that employment opportunities exist in the local area;
- ❑ If the occupation is unfamiliar, have the case manager arrange a tour of an employer's operation or a job shadowing activity for a half day;
- ❑ Review the list of eligible training providers;
- ❑ Select possible training providers and research their requirements for enrollment, performance outcomes, and cost;
- ❑ If providers are in the area, visit the training providers' campuses or locations to determine environment and transportation needs;
- ❑ Research the training requirements and, if helpful, visit with graduates or students in the training courses of interest;
- ❑ Obtain the application and procedures for ITAs from the case manager;
- ❑ Complete the ITA application and demonstrate a commitment to training completion, knowledge of job requirements, knowledge of training courses, and show that the job is on the demand list;
- ❑ List the cost of items needed to complete the training (books, tuition, supplies, etc.);
- ❑ When the ITA is approved, arrange to contact the case manager at least once a month to advise of training progress;
- ❑ Sign an agreement at the school to provide attendance and grades and/or progress reports to the case manager while enrolled;
- ❑ Take the voucher or other Board established mechanism to the training provider and enroll in training;
- ❑ Upon completion of training, provide documentation regarding completion to the case manager;
- ❑ Utilize other center resources or training provider resources for employment placement;
- ❑ When hired, contact the center and provide name of employer, wage/salary information and benefit information; and
- ❑ Agree to participate in follow-up activities to determine employment retention and wages.

Attachment 3

Sample Customer Occupational Training Agreement (COTA)

Name: _____ SSN: _____

The One-Stop Operator provides training opportunities to eligible participants under the Workforce Investment Act (WIA). It is our desire that you gain from this opportunity by increasing your ability to find and retain meaningful career employment. Since this is not an entitlement program, we ask that you follow certain guidelines that are designed to maximize your training experience while ensuring that we maintain the integrity of the program funds. Your case manager will explain this document. Please keep it for reference.

RECOGNIZING THAT I HAVE BEEN ACCEPTED/SPONSORED FOR TRAINING, I HEREBY ACKNOWLEDGE AND AGREE TO THE FOLLOWING:

- a. The services I am to receive are considered an investment in my future. I have an obligation to myself and to the taxpayers to ensure that I use this opportunity wisely and efficiently. I will devote my time and energy toward successfully completing training and obtaining employment in the training field I have chosen.
- b. Sponsorship for training is for a specified period of time. I understand that training funds for this project will not be available after Month, Day, Year. I understand that continued sponsorship is dependent upon:
 - (1) Continued availability of funds;
 - (2) Satisfactory progress in training;
 - (3) Compliance with program policy and procedures; and
 - (4) Compliance with, or modification of, my Individual Employment Plan (IEP) as jointly developed by my case manager and myself.
- c. The goal of training is for me to seek and accept full-time employment upon completion of training. **This is my goal also.** I will do my best to find and accept employment upon completion of training. I will seek and accept help from any source that I feel can assist me in finding employment. My case manager has made me aware of services available to me through program sponsorship, the One-Stop Operator, the AESD, the school I will attend, and other agencies whose services have been identified to help meet my needs during the training process.

- d. The amount in my Individual Training Account is \$ _____. I recognize that this amount is/may be (circle one) the full amount/a part of my total financial budget (circle one) available to me for training, and it is my responsibility to budget and track my training expenditures to ensure that the funds available to me are not depleted prior to completion of training. I will coordinate with my case manager and verify my Individual Training Account (ITA) balance as necessary.
- e. By accepting sponsorship, I am obligated to meet certain requirements. By meeting these requirements, I will earn the privilege of continued sponsorship, subject to continued availability of Department of Labor funding. These requirements are:
- i. I understand that I will advise my case manager of any problem(s), whether academic, personal or financial which would affect my completion of training. **Since I am ultimately responsible for my own actions concerning the success or failure in this program,** I understand that my case manager is available to assist me in overcoming any problem areas which would keep me from realizing my goals. I will schedule a meeting with my case manager to discuss my training progress as necessary.
 - ii. As appropriate to my training choice, I will coordinate registration activities with my case manager prior to registration for the term or course. In addition, I will consider the advantages of using early registration, if possible, to enroll for all following terms to ensure that I get the courses I need to continue the training. I will provide information concerning my registration and book costs to my case manager for fiscal purposes.
 - iii. I will attend class regularly and authorize my school to provide a weekly attendance record to my case manager. Failure to submit attendance records promptly may result in loss or delay of supportive service payments.
 - iv. If I miss more than 10% of my scheduled classes in any one term, I will be considered for termination from the sponsorship. Consistent failure to attend class is reason for termination from classroom rosters, as well as program sponsorship.
 - v. For purposes of counseling and progress adjustment/assessment, I will provide my grade report to my case manager within two weeks after the close of each term, or make arrangements for my school to provide the information.

- f. I also understand the following guidelines concerning my training:
- i. I am aware of financial assistance available to me through my occupational training enrollment, and I agree to make application for such assistance. I understand that funding beyond the scope of WIA sponsorship will require payment through alternative financial assistance sources.
 - ii. I will complete my training program as quickly as possible. I understand that regular class attendance is necessary, as all training must be completed on or before:

Month, Day, Year.
 - iii. I understand the impact of remediation classes on my overall training program and the time limits associated with WIA sponsorship.
 - iv. If I feel that a training course other than those directly related to my training/degree plan is needed, I will discuss this matter with my case manager prior to registration, and I will consult my case manager on any class substitutions granted by the school. I recognize that I will not be authorized additional funding to cover such decisions.
 - v. I will not add or drop a class without first consulting with my case manager.
 - vi. If I fail a class, I will re-take the class if necessary for completion of my training and will seek out tutoring or remediation services with the assistance of my case manager, if such assistance is recommended. I understand that I reduce funding available to me in my ITA with every class that I fail.
 - vii. If I am placed on academic probationary status for violating standards set forth by my training institution, I will inform my case manager. If placed on probation, I will explore the following issues with my case manager as methods of improving my academic standing:
 - Attending school regularly;
 - Remaining drug and alcohol free;
 - Forms of acceptable behavior that assist in the completion of my studies;
 - Avoiding excessive withdrawals from classes or training, or scheduling too few classes resulting in non-completion of training within allowable time frames; and
 - Advantages of compliance with program procedures or policies.

a part of this follow-up period, I agree to quickly respond to the _____ One-Stop Operator _____ regarding any request for information concerning my program participation or employment.

- o. My employment goal is: _____.

I have read this document and agree to comply with the agreement herein described.

WIA Customer Signature

Date