



Individual Training Account (ITA) Policy

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PURPOSE

This policy outlines the Mississippi Valley Workforce Development Board (MVWDB) directives for providing Individual Training Accounts (ITA) for WIOA-eligible Adult, Dislocated Worker, and Youth participants.

BACKGROUND

WIOA Title I-B training services for WIOA eligible Adults, Dislocated Workers, and Youth are provided through ITA. Using ITA funds, WIOA-eligible Adults, Dislocated Workers, and Youth purchase training services from eligible training providers they select in consultation with a Career Navigator.

Participants are expected to utilize information such as skills assessments, labor market conditions/trends, and training providers' performance, and to take an active role in managing their employment future through the use of ITA.

POLICY

ITA is one training option available to eligible and appropriate participants when it is determined by a Career Navigator that they will be unlikely or unable to obtain or retain employment that leads to self-sufficiency or higher wages from previous employment through career services alone.

An ITA is limited in cost and duration and must result in employment leading to economic self-sufficiency or wages comparable to or higher than wages from previous employment.

ITA are not entitlements and shall be provided to eligible participants on the basis of an individualized assessment of the person's job readiness, employment and training needs, financial, social, and supportive needs, labor market demand, and potential for successful completion, as documented on the participant's Individual Employment Plan (IEP).

Participants choose career training with Eligible Training Providers in consultation with Career Navigators. In order to enhance consumer choice in education and training plans, as well as to provide flexibility to service providers, youth program-funded ITA may be used for out-of-school youth (OSY) ages 16-24, when appropriate.

In-school youth (ISY) cannot use youth program-funded ITA.

However, ISY between the ages of 18 and 21 may co-enroll in the adult program and receive training services through an adult program-funded ITA.

ITA Funding for Training is Limited to Participants Who:

- Complete an assessment and an IEP that identifies the selected training course;
- Are unable to obtain grant assistance from other sources to pay the costs of training or require assistance beyond available grant resources from other sources, such as Pell Grants in order to complete their training goals;
- Select training programs that are directly linked to an in-demand industry sector or occupation or sectors that have a high potential of sustained demand or growth in the local area or in another area in which the participant is willing to travel or relocate [WIOA Section 134(c)(3)(G)(iii)]; and
- Maintain satisfactory progress/grades throughout the training program.

COORDINATION OF WIOA TRAINING FUNDS

WIOA funds are intended to provide training services in instances when there is no grant assistance, or insufficient assistance from other sources such as, but not limited to:

- Temporary Assistance for Needy Families (TANF),
- Federal Pell Grants,
- Academic Competitiveness Grants,
- National SMART Grants,
- Federal Supplemental Educational Opportunity Grants, or
- Federal Work-Study,
- GI Bill or other Federal financial aid available to military veterans, and
- state-funded grants.

A WIOA Title I participant may enroll in WIOA Title I-funded training while his/her application for a Pell Grant is pending as long as the service provider has made arrangements with the training provider and the WIOA Title I participant regarding allocation of the Pell Grant if it is subsequently awarded.

In that case, the training provider must reimburse the service provider the WIOA Title I funds used to underwrite the training for the amount the Pell Grant covers, including any education fees the training provider charges to attend training.

Reimbursement is not required from the portion of Pell Grant assistance disbursed to the WIOA Title I participant for education-related expenses.

An individual may select training that costs more than the \$6,000 WIOA maximum amount when other sources of funds are available to supplement the ITA.

Career Navigators must consider and document in the participant file the availability of other sources of grants, excluding loans, to pay for training costs so that WIOA funds are used to supplement but not supplant other sources.

The use of WIOA funds to make payments towards a personal loan of an otherwise eligible participant is prohibited. However, the mere existence of a federal loan, regardless of the status, must not impact ITA eligibility determinations.

ITA AUTHORIZATION

ITA must be approved by a WIOA Program Manager prior to issuance. ITA are authorized only for training programs listed on the Eligible Training Provider List (ETPL), as required in WIOA Section 134(c)(F)(iii).

ITA funds are paid directly to the training provider.

ITA may be used for pre-apprenticeship programs however, only pre-apprenticeship programs listed on the ETPL may be approved. (20 CFR 680.330). ITA may be authorized for training programs in other states or online training if the training program is listed on the ETPL list or if there exist reciprocity agreements with other states.

ITA are not authorized for individualized career services such as short-term prevocational training.

Short-term prevocational services may include the development of learning skills, communication skills, interviewing skills, punctuality, personal maintenance skills, professional conduct, or other non-occupation-specific topics that are intended to prepare individuals for unsubsidized employment or training and should not exceed 40 hours of instruction except in documented special circumstances.

ITA FUNDING LIMIT

The limit for ITA contracts is \$6,000 per program year. A waiver can be submitted to the MVWDB executive director to exceed this limit by \$1,000.

Documentation of the MVWDB executive director's approval authorizing the ITA increase must be included in case notes located in the Iowa *WORKS* case management system. A waiver with supporting documentation can also be submitted to the MVWDB executive director for a class to be retaken and will be considered on a case-by-case basis.

Refresher courses are not considered retake classes and are eligible to be paid for out of Title I funds.

The maximum ITA limit is not an entitlement. The amount and duration of each participant's ITA award is determined on an individual basis. Funding amounts will take into account the total costs of the selected training program, any other financial assistance available to the participant, and the WIOA funding available to the Adult, Dislocated Worker, or Youth Programs.

ITA CONTINUED FUNDING

Continued funding of an ITA is contingent on the availability of WIOA funds and the participant's satisfactory progress in school. Career Navigators will review the participant's

training progress and expenses quarterly or more frequently depending on the training institution's schedule. An individual's progress will be considered satisfactory upon earning:

- A grade point average that does not fall below 2.0 for two consecutive terms; or
- A grade point average sufficient to graduate from, or receive certification in, the individual's approved area of study; or
- Sufficient credit hours to finish the approved course of study within the timeframe established under the approved training plan.
- In the case of self-paced or ungraded learning programs, satisfactory progress means participating in classes and passing certification examinations within the timeframe established under the approved training plan.
- Career Navigators must arrange to receive training progress reports (i.e., transcripts) from participants in adequate time to process the subsequent tuition payment.

Career Navigators must develop with participants who are not earning satisfactory progress in their coursework, a service strategy to overcome the barriers impacting progress. WIOA ITA funding may be terminated if participants do not earn satisfactory progress for two (2) or more consecutive school terms (i.e., quarters, semesters, etc.).

ITA MODIFICATIONS

An ITA may be modified to ensure the individual attains their educational goals and subsequent employment. In some circumstances, such as when a program of training is removed from the ETPL, or when extraordinary program expenses develop, the participant and career planner must agree on whether to complete the plan of training with the existing provider, seek a similar program, or discontinue training.

When a program of training is removed from the state ETPL, WIOA participants in that program can complete their training but WIOA funds cannot be used. However, an ITA should not be modified or extended for a participant beyond the original plan approval as it relates to a program of training that is no longer on the ETPL.

Any modifications to the ITA should be documented in case notes located in the Iowa*WORKS* case management system.

ITA OBLIGATIONS

In order to obligate ITA funds a Purchase Order may be written for individuals identified to receive an ITA award.

The obligation would document a three-way commitment between the individual, the service provider, and the training institution.

MVWDB retains the flexibility to decide when to bill actual expenditures with the training provider. Payments from ITA may be made in a variety of ways, including the electronic transfer of funds through financial institutions, vouchers, or other appropriate methods.

Payments also may be made incrementally, for example, through payment of a portion of the costs at different points in the training course.

RECOVERY OF TUITION FUNDS

In the event a participant discontinues training, the Career Navigator must do due diligence to ensure the recovery of WIOA funds provided to training institutions. Career Navigators must verify the following:

- The refund policy of the training provider for early termination from the training program;
- A requirement for the training provider to notify the case manager of early customer dropout;
- The percentage of the advanced payment to be returned;
- Turnaround timeframe for the refund;
- Time spent in training before a refund will no longer be honored.

PARTICIPANT FILE DOCUMENTATION

Justification for and continued funding of an ITA must be supported by the following documentation uploaded to the participant file and/or in case notes entered in Iowa*WORKS*:

- Assessment results supporting the selected program of study. The assessment must support the need for training including a determination by a Career Navigator that the participant will be unlikely or unable to obtain or retain employment that leads to self-sufficiency or higher wages from previous employment through career services alone; and that the selected program of study will result in employment leading to economic self-sufficiency or wages comparable to or higher than wages from previous employment;
- Completed IEP documenting the selected program of study, anticipated and actual start/end dates, and training outcomes;
- Eligibility for other training grant funding;
- Verification of FAFSA application and award status, if applicable;
- Authorization of the ITA and any approved increase or modification;
- Documentation of the participant's willingness and ability to travel to locations outside of MVWA counties if the selected training program and/or demand occupation is outside of the MVWA service area.
- Case note documenting that the training provider is on the ETPL; and
- Documentation of the participant's progress and/or grades.

TRAINING CONTRACT EXCEPTION

ITA are the primary method to be used for procuring training services under WIOA. However, in certain circumstances, a training contract may be used to provide training services, instead of an ITA.

Per Board policy, contracts for services may be used in place of ITA when one or more of the following exceptions apply and consumer choice requirements have been fulfilled:

- On-the-job training, which may include paying for the on-the-job training portion of a Registered Apprenticeship program, customized training, incumbent worker training, or transitional jobs.
- If the MVWDB determines that there are an insufficient number of Eligible Training Providers in the local area to accomplish the purpose of a system of ITA. This determination process must include a public comment period of at least 30 days for interested providers and must be described in the local plan.
- To use a training services program of demonstrated effectiveness offered in a local area by a community-based organization or other private organization to serve individuals with barriers to employment the MVWDB will look at the following criteria:
 - Financial stability of the organization.
 - Demonstrated performance in the delivery of services to individuals with barriers to employment 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.
 - How the specific program relates to the workforce investment needs identified in the local plan.
- If the MVWDB determines that the most appropriate training could be provided by an institution of higher education or other provider of training services in order to facilitate the training of multiple individuals in in-demand industry sectors or occupations. This is true provided that the contract does not limit consumer choice.
- If the MVWDB determines a pay-for-performance contract is suitable. No more than 10 percent of the local funds may be spent on pay-for-performance contract strategies.
- The MVWDB may determine that providing training through a combination of ITA and contracts is the most effective approach. This approach could be used to support placing participants in programs such as Registered Apprenticeships and other similar types of training.

Equal Opportunity Programs/Employer

Auxiliary aids and services available upon request for individuals with disabilities