

South Central Workforce Development Board (SCWDB)



POLICY: INDIVIDUAL TRAINING ACCOUNTS

EFFECTIVE DATE: JULY 1, 2016

POLICY NUMBER 2016-06

REVISION 2: NOVEMBER 2, 2018

SUBJECT: INDIVIDUAL TRAINING ACCOUNT (ITA)

PURPOSE:

To establish a policy for providing Individual Training Accounts (ITAs) for WIOA eligible adult, dislocated worker and youth participants.

EFFECTIVE DATE: July 1, 2016

ACTION REQUIRED:

Within 15 days of the receipt of this policy it is the recipient's (e.g., vendors, partners) responsibility to ensure all staff are informed of the policy and to create an internal process to ensure accountability.

BACKGROUND:

WIOA Title I training services for WIOA eligible adults, dislocated workers and youth are provided through ITAs. Using ITA funds, WIOA eligible adults, dislocated workers, and youth purchase training services from eligible training providers they select in consultation with a Kentucky Career Center Case Manager/career planner. 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 ITAs.

POLICY:

Training services can be critical to the employment success of adults and dislocated workers. Kentucky Career Center staff may determine training is appropriate regardless of whether the individual has received basic or individualized career services first. Training services may be provided if the Career Center staff determine, after an interview, evaluation or assessment, and career planning, that the individual:

- Is unlikely or unable to obtain or retain employment, that leads to economic self-sufficiency or wages comparable to or higher than wages from previous employment through career services alone;
- Is in need of training services to obtain or retain employment that leads to economic self-sufficiency or wages comparable or higher than wages from previous employment, through career services alone; and
- Has the skills and qualifications to successfully participate in the selected program of training services.

An "individual training account" is a funding mechanism through which eligible individuals can access quality training to help obtain employment in high demand occupations. This policy applies to all training funds through WIOA and the Trade Adjustment Assistance Program (TAA).

DEMAND OCCUPATION REQUIREMENT FOR TRAINING

The South Central Kentucky Workforce Development Board (WDB) is committed to increasing income levels and creating employment opportunities for customers in the South Central Kentucky Region. The WDB has established priorities for High Demand, High Growth and High Wage employment opportunities in the region.

It is the policy of the WDB to work with the Kentucky Office of Employment and Training Labor Market Information (LMI) section and local labor market information systems to identify targeted industries and occupations prioritized for WDB funding. Occupations must be identified through local labor market information as having the potential for high entry wages¹ and projected growth and/or significant job openings in the area. To be considered for funding through WIOA, a training program must lead to a recognized credential as defined by WIOA:

'the term "recognized postsecondary credential" means a credential consisting of an industry-recognized certificate or certification, a certificate of completion of an apprenticeship, a license recognized by the State involved or Federal Government, or an associate or baccalaureate degree.'

The U.S. Department of Labor in its Training and Employment Guidance Letter 17-05 (TEGL 17-05) specifies that certificates awarded by workforce boards are not included in this definition. Work readiness certificates are also not included in this definition. A certificate is awarded in recognition of an individual's attainment of technical or occupational skills by:

- A state educational agency or a state agency responsible for administering vocational and technical education within a state.
- An institution of higher education described in Section 102 of the Higher Education Act (20 USC 1002) that is qualified to participate in the student financial assistance programs authorized by Title IV of that Act. This includes community colleges, proprietary schools, and all other institutions of higher education that are eligible to participate in federal student financial aid programs.
- A professional, industry, or employer organization (e.g., National Institute for Automotive Service Excellence certification, National Institute for Metalworking Skills, Inc., Machining Level I credential) or a product manufacturer or developer (e.g., Microsoft Certified Database Administrator, Certified Novell Engineer, Sun Certified Java Programmer) using a valid and reliable assessment of an individual's knowledge, skills, and abilities.
- A registered apprenticeship program.
- A public regulatory agency, upon an individual's fulfillment of educational, work experience, or skill requirements that are legally necessary for an individual to use an occupational or professional title or to practice an occupation or profession (e.g., FAA aviation mechanic certification, state certified asbestos inspector).

¹ In accordance with the WDB's measures of success, defined as at least \$9.81 an hour. Or at 100% of the Lower Living Standard – refer to WDB Policy #2016-09 for the 2016 Lower Living Standard Income Level.

- A program that has been approved by the Department of Veterans Affairs to offer education benefits to veterans and other eligible persons.
- Job Corps Centers that issue certificates.
- Institutions of higher education which is formally controlled, or has been formally sanctioned, or chartered, by the governing body of an Indian tribe or tribes.

The WDB has identified six targeted industries for training:

- construction,
- healthcare,
- hospitality,
- manufacturing,
- professional service and
- transportation, distribution and logistics (TDL).

A list of approved training providers may be found on the Kentucky Career Center website, Kentucky Eligible Training Provider list: <https://etpl.ky.gov/etpl/Default.aspx>

For information on how to become an approved training provider, see WDB Policy #2016-14, Eligible Training Provider Applications.

SELECTION OF ITA PROGRAMS

- It is the policy of the WDB to deliver occupational skills training to adults-regardless of funding source (this includes funds from Trade Adjustment Assistance, TAA), through the Kentucky Career Center System using, to the maximum extent possible, an Individual Training Account (ITA).
- To be eligible for an ITA, an eligible customer must, at a minimum:
 - have a high school diploma or the equivalency, ITAs for customers concurrently enrolled in high school completion or GED programs may be approved on a case-by-case basis
 - be unable to find suitable employment with existing skills and/or academic credentials as evidenced through unsuccessful job search efforts while actively participating in career services offered through the workforce system, and/or
 - through assessment be determined to be appropriate for and able to complete the chosen employment training program, and
 - select a training program as defined by the parameters of this policy and linked to a demand occupation within the WDB's targeted industries in the local area and make a commitment to seek employment in the field once trained.

Priority of Service for Adult Funded ITAs

WIOA establishes priority with respect to funds allocated to a local area for adult employment and training activities. Priority must be given to recipients of public assistance, other low-income individuals, and individuals who are basic skills deficient. Priority to recipients of public assistance, other low income individuals², and individuals who are skills deficient must be provided in the following order:

² Low income is defined in the WDB's Self Sufficiency Policy #2016-10, defined as having an income in the preceding 12 months that is at or below 100% of the Federal poverty guidelines.

1. First, to Veterans and eligible spouses who are also included in the groups given statutory priority for WIOA adult formula funds. This means that veterans and eligible spouses who are also recipients of public assistance, other low-income individuals, or individuals who are basic skills deficient would receive first priority for services provided with WIOA adult formula funds.
2. Second, to non-covered persons (that is, individuals who are not veterans or eligible spouses) who are included in the groups given priority for WIOA adult formula funds.
3. Third, to veterans and eligible spouses who are not included in WIOA's priority groups.
4. Last, to non-covered persons outside the groups given priority under WIOA.

In addition, the WDB establishes the following priorities (not exclusions) for training services:

- Under-employed Adults (18 years +) who are residents of any county within the workforce region and are low income.
- Dislocated workers where training will enhance the likelihood of at least 85% wage replacement of their pre lay-off wage;
- Incumbent workers "at risk" of job or wage loss, and in need of skills upgrades in order to maintain or achieve at least 80% of the wages required to meet the wages at placement performance measure for dislocated workers (currently \$5,284 per quarter or more for 2 quarters following exit).

All eligibility will be determined and documented in the case files by the WIOA Title I Contractor.

The following guidelines apply in managing WIOA ITA awards:

WIOA ITA Requirements

1. ITA will only be approved for training courses that are on the Eligible Training Provider (ETP) list for the state of Kentucky. By securing this approval the Training Provider has made a commitment to meet the performance standards as outlined in the WIOA Rules and Regulations.
2. A program of training services is one or more courses or classes, or structured curriculum that upon successful completion, leads to:
 - a.) A certificate, an associate degree, baccalaureate degree, or
 - b.) The skills or competencies needed for a specific job or jobs, an occupation, occupational group, or generally, for many types of jobs or occupations, as recognized by employers and determined prior to training.
3. ITA funding will not pay for such things as master's or doctorate degrees. All training programs on the state eligible list will be considered eligible in the local area unless removed by the local Workforce Development Board as a training provider.
4. WIOA ITA funds are only authorized to pay for tuition and books, required equipment, and other associated fees for the training program, less the PELL, OIG, and other grants, financial aid, or Work Study contributions. Other Supportive Services programs may address other needs. (See Supportive Services Policy #2016-13)
5. South Central Kentucky WDB ITA funds are limited to:
 - a. \$3,000 maximum per fiscal year
 - b. \$6,000 maximum lifetime funding
 - c. Maximum period for funding will be three (3) training years depending on the availability of funding, where a training year begins on the first day of training and runs for twelve (12) consecutive months.

- d. The ITA will not cover a Bachelor's Degree except for Dislocated Workers and **only if** the recipient has successfully completed at least 4 full-time semesters or 6 full-time quarters AND the recipient can complete the degree within the three (3) year maximum training period. The customer must provide a transcript and a plan of study from the institution documenting they can complete the degree requirements in the three-year time limit.
- e. The ITA will cover training up to one year for a customer holding a Bachelor's Degree for upgrade purposes only if the current diploma will not lead to direct employment.
- 6. The WDB's ITA funds will pay for education and training expenses at any educational institution that appears on the state Eligible Training Provider list at the maximums as stated above.
- 7. The training occupation should have career advancement potential and must be in accordance with the recipients' Individual Employment Plan (IEP).

WIOA Eligible Participant Requirements

WIOA requires that local boards provide training services in a manner that maximizes consumer choice in the selection of an eligible provider of such services.

1. Participants must have applied for WIOA services and have been determined by a WIOA Case Manager/Career Coach to be eligible for training services.
2. Participants must complete an Individual Employment Plan (IEP) that details the participant's skills, interests, and abilities, and sets specific goals for the participant to meet in order to obtain or retain employment that leads to self-sufficiency.
3. Participants must be provided information that allows them to choose a training program that is consistent with their skills, interests, and abilities. This may occur in consultation with their WIOA Case Manager.
4. Participants in qualifying programs must apply for PELL, OIG, and other appropriate grants before utilizing WIOA funds. WIOA funds may be used prior to notification that the individual qualifies for other funds as long as upon receipt of financial aid, WIOA funds are reimbursed. Related grants can be utilized concurrently with WIOA ITA funds but should be used before ITA funds when the participant qualifies.
5. If the training program selected is greater than \$3,000, the individual must indicate how the remaining costs of training will be funded and the Case Manager must document this in the case file.
6. An individual cannot quit employment to attend training.
7. ITAs will not be issued to any student who does not have a high school diploma, GED, or equivalent.
8. All eligible participants may receive the first ITA without restrictions. After the first quarter or semester, the student must be in good academic standing and/or have maintained a "C" average in the program of study, unless a higher grade point average is required by the IEP. In the case of courses that are Pass/Fail they must maintain work that indicates they will pass. In the event that the student does not reach this standard, interventions, including intensive case management services, will be offered to the student. A student may not change majors after the ITA is signed; if the student does change majors, ITA funds will not be obligated for payment nor continuation of the ITA.

If the student fails to maintain good academic standing and/or a "C" average for the second consecutive quarter or semester, that student will be ineligible to receive additional WIOA funding until the student makes a "good faith" effort to modify his/her circumstances. This "good faith" effort can include life skills classes, counseling, a reevaluation of skills, interests, and

abilities, a request for additional supportive services, etc., and will be coordinated by the student's WIOA Case Manager.

If the student continues to fail to maintain good academic standing and/or a "C" average for three consecutive quarters or semesters, that student will be ineligible for WIOA funding for one (1) calendar year.

If a student quits a training program, he/she shall be required to pay back (reimburse) the amount of funding received, subject to individual review according to the procedure.

If the student has no contact with their WIOA Case Manager for ninety (90) days, the ITA will be deemed inactive and the contract may be cancelled. The student is obligated to pay back any costs incurred after the 90-day period.

Participant File Documentation

Justification for, and continued funding of an ITA must be supported by the following documentation located in the participant file and/or in case notes entered into Kee Suites:

1. Assessment results supporting the selected program of study. The assessment must support the need for training including a determination by a case manager 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;
2. Completed IEP documenting the selected program of study, anticipated and actual start/end dates and training outcomes;
3. Eligibility for other training grant funding;
4. Verification of FAFSA application and award status, if applicable. Authorization of the ITA and any approved increase or modification;
5. Documentation of the participant's willingness and ability to travel to locations outside of the workforce region if the selected training program and/or demand occupation is outside of workforce region;
6. Case note documenting that the training provider is on the Eligible Training List;
7. Documentation of the participant's progress and/or grades; and
8. Completed Customer Training Agreement attached to this policy.

EXCEPTION

There is an opportunity to provide an ITA that is over the \$3,000 annual limit. This provision only applies if the cost of the tuition is over the \$3,000 annual value of the ITA and the training meets all the requirements above and the participant meets all the requirements above. If these conditions are met, and the case manager and customer have exhausted all other possible funding opportunities, such as scholarships, Pell grants, self-pay, etc., then the case manager may submit a written request for an exception to the WDB Director. The Director will review the written request, which must include:

- Documentation that the training meets the requirements outlined in this policy,
- Documentation of the efforts made to find other funding sources to make up the difference between the value of the ITA and the tuition costs,
- Documentation that the training cannot be found at a lower cost within the region, at or below the value of the ITA,
- The tuition amount and the amount required over the \$3,000 ITA value.

The WDB Director will respond in writing to the request within 3 business days. The case managers request and the WDB Director's response must be maintained in the participant file.

No participant may be granted more than one exception and the life time limit of \$6,000 continues to apply.

ITA Obligations

In order to obligate ITA funds a Purchase Order (PO) may be written for individuals identified to receive an ITA award. The obligation documents a three-way commitment between the individual, the service provider, and the training institution.

REFERENCES:

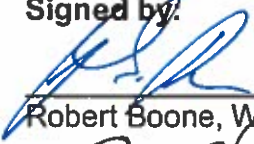
- WIOA Section 134(c)(G) – Adult and Dislocated Workers
- WIOA Section 129(c)(2)(D) – Youth
- 20 CFR 680.300, 680.310, 680.320, 680.330 – Adult and Dislocated Workers
- 20 CFR 681.550 – Youth
- Kentucky Living Wage Calculator, <http://livingwage.mit.edu/states/21>


Approved:

12-14-2017
Date of WDB Approval

12-5-2017
Date of Governance
Committee Approval

Signed by:


Robert Boone, WDB Director


Chair, Governance Committee

CUSTOMER TRAINING AGREEMENT

Customer Name: _____(printed)

Date: _____

You have been approved for Workforce Innovation and Opportunity Act (WIOA) Title I funding to assist with costs associated with your employment related training. **Participants eligible for WIOA funding must understand, agree and comply with the following:**

- I understand that continued WIOA tuition assistance is contingent on availability of WIOA funding and my satisfactory progress in school.
- My anticipated training start date is: _____; anticipated completion date is: _____.
- I agree to seek employment upon completion of training and will notify my career planner immediately upon obtaining employment.
- I will be familiar and comply with the training institution's attendance, withdrawal, and code of conduct policies.
- I will apply for financial aid through FAFSA and the Financial Aid Office of the training institution, if applicable.
- To ensure there is no duplication of tuition payment, I will provide my career planner with application results, including award letters from other funding sources, including, but not limited to:
 - TANF
 - Title IV Programs such as 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;
 - State-funded grants; or
 - Private dollars.
- I authorize **(name of school)** to release my educational records, including attendance, grades, transcripts and/or progress reports, financial awards, educational expenses, etc. to my career planner.
- I will strive to maintain, at a minimum, satisfactory progress which includes:
 - 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 my 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.
- I will submit copies of grades/progress reports to my career planner at agreed upon timeframes but prior to the start of the next training session. (Attendance forms are required if WIOA funded mileage reimbursement or child care assistance is provided.)

- I will maintain on-going contact with my career planner as documented on my Individual Employment Plan (IEP) but no less than once per training quarter/semester.
- I will resolve issues with the training instructors and training institution directly. If I am unable to resolve them satisfactorily, I will contact my career planner for assistance.
- I will notify my career planner immediately if issues or concerns arise that may impact my continued training participation or require a change to my training program/schedule.
- I will provide my career planner with written notification of my consideration of discontinuing my training program, or dropping a specific course no less than 10 days prior to taking action.
- I will notify my career planner immediately if my contact information changes.

Initial: _____

If training related tools and equipment necessary for my training are purchased with WIOA funds, I agree to the following:

- I understand that I cannot sell or give away my tools, nor use them in an irresponsible manner.
- Tools are not allowed to leave school premises without permission from my career planner. It is my sole responsibility to adequately secure my tools. If my tools are lost, stolen, or broken, it is my responsibility to replace them.
- I will return training related tools and equipment if I do not successfully complete my training.

Initial: _____

I understand that failure to comply with the terms of this contract may result in my termination from the WIOA program. I have read and agree to the conditions stated on the Customer Training Agreement. I received a copy of this agreement.

Participant Signature: _____

Date: _____

I have reviewed this Participant Training Agreement with the participant and witnessed his/her signature:

Authorized Signature: _____

Date: _____