

EASTERN WASHINGTON PARTNERSHIP

WORKFORCE DEVELOPMENT COUNCIL

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SUBJECT Individual Training Accounts

PURPOSE

Adults, dislocated workers and youth who have been determined to need training may access and finance training through the use of an Individual Training Account (ITA). Under specified circumstances discussed below, contracts for training may be used.

BACKGROUND

WIOA Title I training services for adults, dislocated workers, and youth are provided through ITAs. Using ITA funds, WIOA Title I adults, dislocated workers and youth purchase training services from eligible training providers they select in consultation with an employment counselor. Participants are expected to utilize information that is provided (e.g., skills assessment, labor market conditions/trends and training vendor performance) to take an active role in managing their employment future through the use of ITAs. Participants are expected to make a self-informed choice about their own employment future and the training services needed. Individual Training services are not entitlements and shall be provided to 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. The participants Individual Employment Plan shall provide the justification for all services to be given including the appropriate combination of training and other services for the participant to achieve their employment goals.

Note: ITAs are allowed for out-of-school youth ages 18-24 (out-of-school youth ages 16-17 are not eligible for ITAs) per WIOA Section 129 (c)(2)(D) and proposed 20 CFR 681.550.

INDIVIDUAL TRAINING ACCOUNTS (ITA)

Training Services are defined as one or more courses or classes that upon successful completion lead to:

1. A certificate or associate degree; or
2. A competency or skill recognized by employers and WDC; or
3. A training regimen that provides individuals with additional skills or competencies generally recognized by employers and the WDC

The Department of Labor has determined that adult literacy or basic computer literacy services are not part of the definition of training services under WIOA Title I.

The essence of the ITA system is to provide the customers with quality information on training providers so that they can make an informed choice on the training that best fits their needs. The process for receiving an ITA includes the following steps:

An individual must:

- 1) be assessed as needing and able to benefit from training;
- 2) apply for student financial aid, including PELL (and excluding student loans), and demonstrate that he/she has sufficient funds available to meet the costs of living expenses throughout the entire training period;
- 3) complete assessment, counseling and an Individual Employment Plan that identifies a reasonable career goal in a demand occupation in the local labor market or another labor market to which the participant is willing to move;
- 4) select training with an eligible training provider that offers certified courses published in the statewide Eligible Training Providers List (ETPL). If a program of training is removed from the ETPL, WIOA participants in that program can complete their training (WIOA Title I Policy 5611). 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;
- 5) Commit to maintaining regular contact with the service provider throughout the training and follow-up period. Documentation of successful progress is required.
- 6) Be enrolled in the Adult and/or Dislocated Worker program; Or
- 7) Be enrolled in the Youth program 18-24 years of age (at initial participation date), and be classified as an Out-of-School youth at the time of eligibility determination.

Upon completion of this decision making process and determining that the program has not exhausted classroom training funds, the operator must refer the individual to the selected training provider.

ITA funds are accessed by a participant through a vouchering system. Adults, dislocated workers, and youth purchase training through vouchers with eligible providers on an incremental basis. Vouchers are awarded per quarter, semester, or for uninterrupted training coursework. Payments to training institutions are made on a quarterly basis and require that the participant has met the attendance requirements of the institution. The use of WIOA funds to pay down a loan of an otherwise eligible participant is prohibited; however, the mere existence of a federal loan must not impact eligibility determinations.

Certification of satisfactory progress

Participants must demonstrate “satisfactory progress” in training, except for “good cause” to access payments through their ITAs. “Good Cause” for failure to make satisfactory progress in training includes specific factors that would cause a reasonably prudent person in similar circumstances to fail to make satisfactory progress. Good cause includes, but is not limited to:

- a) Illness, injury, or disability of the participant or a member of the participant’s immediate family;
- b) Severe weather conditions or natural disaster precluding safe travel;
- c) Destruction of the participant’s school records due to a natural disaster or other catastrophe not caused by the participant;
- d) Acting on advice received from an authority such as the training provider, instructor, or case manager;
- e) Training is delayed or cancelled;
- f) Accepting stop-gap employment with hours or other work conditions that conflict with the training;
- g) Accepting goal-related employment prior to completion of training.

(1) In order to continue your eligibility for training benefits, the certification that you are making satisfactory progress in training must be signed by the registrar or an equivalent person designated by your educational institution. Except for dislocated workers eligible under RCW 50.22.155 (2)(a)(i), and disabled individuals as provided in RCW 50.22.155 (2)(c), training must be full-time as determined by the educational institution.

- (2) Except as provided in subsection (3), for training benefits purposes the term "satisfactory progress" means:
 - (a) Your grade point average does not fall below 2.0 for two consecutive terms;
 - (b) You maintain a grade point average sufficient to graduate from, or receive certification in, your approved area of study; and
 - (c) You are completing sufficient credit hours to finish your approved course of study within the time frame established under your approved training plan.
- (3) In the case of self-paced or ungraded learning programs, "satisfactory progress" means participating in classes and passing certification examinations within the time frame established under your approved training plan.

Each voucher will specify a dollar amount and the eligible provider where the participant has chosen to attend training. Expenditures from all resources paying for an individual’s training will be tracked to avoid duplicate payments and the participant will be kept informed of his/her ITA account status. Second and subsequent ITAs will be awarded only for continuing classes in the educational or training institution initially attended, unless there is a mutual (and justifiable) agreement by all parties that another venue is necessary.

ITAs are limited in **duration** to a maximum of twenty-four months. However, the duration can be extended by the administrative entity if the participant's personal circumstances require additional training as can be the case for some persons of disability or limited English language proficiency. An ITA could fund prerequisite training to a vocation training program if it is required by the educational institution.

ITAs are limited in **cost** to no more than \$5,000 per year to help cover the costs of tuition, books, materials, supplies, tools and equipment. In order to encourage training in higher wage occupations, this cost limit can be raised to \$6,000 in cases of short-term training (one year or less in duration) where the wage at retention is projected to exceed the local performance targets for earnings gain and annual earnings. These funding limits represent the combined maximum amount that any individual WIOA participant may receive in any continuous twelve-month period even if co-enrolled in the WIOA adult, dislocated worker, and youth programs.

Within duration and cost limits, the actual ITA amount per participant is based on the needs identified in the participant's Individual Employment Plan and the availability of other resources. These cost and time limits may be waived by the administrative entity in some instances where personal circumstances require additional training as in the case of some persons with disabilities or limited English language proficiency. These limits will be reviewed on a periodic basis by the Workforce Development Council (WDC) to insure they meet the needs of its customers.

The WIOA program operator assumes financial responsibility for the participant's ITA even when the training is provided in another WDC jurisdiction area. This responsibility extends to the costs of a participant's support services as agreed upon and authorized by the program operator.

Mechanisms other than ITAs may be used to provide training services that do not rise to the level of occupational skills training, including intensive and short-term prevocational services. Intensive services may include literacy, internship, work experience and other training activities that may not provide formal occupational skills training or be appropriate for and ITA. Similarly, short-term prevocational services are designed to prepare a participant for work but do not provide formal occupational skills training.

Consideration must be given to labor market demand in the local area or the area to which the trainee intends to relocate. Training will be limited to skills relevant to demand occupations. Training services may be approved for occupations that the local board has determined to be in sectors of the economy that have a high potential for sustained growth and/or where documentation indicates employment prospects in the local area in addition to those occupation on the demand list.

Prerequisite training to a vocational training program may be funded if it is required by the educational institution and ultimately leads to credential in a demand occupation. Academic training may be approved if it meets specific requirements for certification.

Licensing, or specific skills necessary for an occupation within the demand occupations listed. Training which is either a prerequisite or a pre-vocational training may be considered an individualized career service.

The Eastern Washington Partnership workforce development area is comprised of nine rural counties in eastern Washington. The WDC may need to utilize additional training modes beyond ITAs. Contracts for services instead of ITAs may be used to provide training when one of the following four exceptions apply:

- 1) When the services are on-the-job training or customized training, incumbent worker training, or transitional employment.
- 2) When the WDC determines that there is an insufficient number of eligible providers to provide a selected training in a demand occupation and the demand is strong enough to place a class group. The selection must be through a procurement process with selection criteria that includes the financial stability of the bidder and the bidder's demonstrated performance in measures appropriate to the proposed training program. Any such proposed training will require a thirty-day public comment period.
- 3) When the WDC determines that there is a training program of demonstrated effectiveness, particularly as it applies to special participant populations that face multiple barriers to employment such as offenders, homeless, or individuals with substantial language or cultural barriers. The criteria for demonstrated effectiveness include:
 - the financial stability of the organization;
 - program completion rate, skills attainment, certificate or degrees available, placement rate into unsubsidized employment and the retention rate in employment;
 - How the specific program relates to the workforce needs identified in the local plan.
- 4) Special participant populations that face multiple barriers to employment are populations of 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 defined by the Governor.
- 5) The WDC determines that it would be most appropriate to award a contract to an institution of higher education or other eligible provider of training services in order to facilitate the training of multiple individuals in an in-demand industry sectors or occupations and such contract does not limit customer choice.
- 6) The WDC determines that the contract is a pay-for-performance contract.

REFERENCES

- WIOA Section 134(c)(G) – Adult and Dislocated Workers

- WIOA Section 129 (c)(2)(D) – Youth
- Proposed 20 CFR 680.300, 680.310, 680.320, 680.330 – Adult and Dislocated Workers
- Proposed 20 CFR 681.550 – Youth
- WAC Chapter 192-270 – Training Benefits
- WIOA Title I Policy 5611 – Governor’s Procedures for Determining Training Provider Eligibility
- Washington State Unemployment Insurance Training Benefits Program