OKLAHOMA EMPLOYMENT AND TRAINING ISSUANCE # 19-2005

DATE: October 24, 2005

TO: WIA Board Staff
WIA Fiscal Agents

FROM: Director, Workforce Integrated
Programs Division

SUBJECT: Individual Training Account Policy

PURPOSE: To update policy regarding the establishment of an ITA, coordination with other funding sources, and payment of training expenses. This policy clarifies documentation requirements to establish the ITA, verify coordination with other funding sources, and to substantiate ITA expenditures. Finally, this policy incorporates waiver provisions which enable Older and Out-of-School youth to use the Eligible Training Provider system.

BACKGROUND: The Workforce Investment Act of 1998, in §134(d)(4)(F) establishes the requirement that "training services…shall be provided in a manner that maximizes consumer choice in the selection of an eligible provider of such services," and further establishes, in §134(d)(4)(G) that "training services shall be provided through the use of individual training accounts…and shall be provided to eligible individuals through the one-stop delivery system." Section 134(d)(4)(B) of the Act explains that funds allocated for adults or dislocated workers, shall be used for adults or dislocated workers who select programs of training services that are directly linked to the employment opportunities in the local area involved or in another area in which adults or dislocated workers receiving such services are willing to relocate when they are unable to obtain other grant assistance for such services, including Federal Pell Grants or who require assistance beyond the assistance made available under other grant assistance programs, including Pell Grants. The requirement to use ITAs and to coordinate with other grant assistance are also in the Workforce Investment Act Final Rules at 20 CFR § 663.400-663.440 and 20 CFR § 663.320 respectively. On July 7, 2005 the State of Oklahoma was granted a waiver of the prohibition on the use of ITAs for Older and Out-of-School Youth at 20 CFR § 664.510, through June 30, 2007.

MESSAGE: Individual Training Accounts (ITA) are established to supplement funding requirements and not as the primary source to fund WIA training services for participants. The requirement to Coordinate ITAs with other grant sources is intended to ensure the use of WIA funds is always secondary to the use of funds from other sources, including the use of personal funds. ITAs must be established to account for WIA funds expended for training or training related activities and must be for training that leads qualifying individuals to self-sufficiency. ITAs are required when training is funded for adults and dislocated workers, and may be established for older and out-of-school youth. Pursuant to Oklahoma's waiver, older and out-of-school youth may select training providers from the Eligible Training Provider List.

Individual Training Accounts

Establishment

WIA mandates that all training services (except for on-the-job training and customized training) are provided through the use of ITAs and that eligible individuals shall receive ITAs through the one-stop delivery system (Section 134(G)). All training, funded with WIA funds, must be for training that leads qualifying individuals to self-sufficiency. Participants must select programs of training services that are directly linked to employment opportunities in the local area involved or in another area to which the adults, dislocated workers, or older and out-of-school youth receiving such services are willing to relocate. The Governor has further directed that WIA training opportunities should focus on community talent growth and aligning the workforce with targeted industry clusters (existing or emerging).

ITAs are funded with adult and dislocated worker funds authorized under Title I of WIA. Older and out-of-school youth may select training providers from the Eligible Training Provider system and ITAs for these participants may be financed with funds allotted to the State pursuant to WIA § 127. ITAs pay for training services for skills in demand occupations as defined by the local WIB from training providers on the approved list of eligible training providers. [Sections 134(F)(ii) and 134(G)(iii)]. Payments may be made in a variety of ways, including the electronic transfer of funds through financial institutions, vouchers, or other appropriate methods. Payments may also be made incrementally, through payment of a portion of the costs at different points in the training course. [WIA Section 134(d)(4)(G)] and 20 CFR Part 663.410.

The State has provided a form (Attachment A) for the establishment of Individual Training Accounts. Also, a Voucher form and a Voucher Modification form are provided to facilitate the administration of funds. These forms may be modified to fit your unique local requirements. Additional acceptable voucher forms may include: purchase orders, payment requisitions, encumbrances, etc.

Dollar amount and/or duration established by WIB policies must be described in local workforce development plans, but should not be implemented in a manner that undermines the Act's requirement that training services are provided in a manner that maximizes consumer choice in the selection of an eligible training provider.

Limited Exceptions to the use of ITAs

ITAs are the primary method for providing occupational skills training leading to a degree, certification, or employer recognized skill certification under WIA. Contracts for services may be used instead of ITAs only when one of the following three exceptions apply:

- When the services provided are on-the-job (OJT) or customized training;

- When the local WIB 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 comments period for interested providers of at least thirty (30) days;

- 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, particularly as it applies to the special participant population to be served. This criteria may include, but is not limited to:

    - Financial stability of the organization;
    - Demonstrated performance in measures appropriate to the program including 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;
    - The relevance of the specific program to the workforce investment 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 to include “individuals with disabilities”.

Consumer Choice

Training services, whether accessed by establishment of ITAs and the providing of vouchers or under contract, must be provided in a manner that maximizes informed consumer choice in selecting an eligible training services provider in accordance with the goals and objectives outlined in the client’s individual employment plan (IEP) or Individual Service Strategy (ISS). WIBs, through the local one-stop center, must make available to customers the State list of eligible providers required in WIA Section 122(e).

An individual who has been determined eligible for training services may select a provider from the State eligible training provider list after consultation with local staff. The WIB sets the policies for accessing ITAs.

Local Policy

Local policy must establish the following requirements for the establishment of Individual Training Accounts:

- How participants will receive assessment, counseling, and an individual employment plan or individual service strategy through intensive services prior to selecting a training program. These elements of intensive services are mandatory under state policy before arranging for WIA training services:

- How the training will be limited to skills relevant to demand occupations;

- How the participants will learn of the demand occupations or skills and how exceptions to the list of locally recognized demand occupations will be handled. The WIB must be involved in the exception process. The demand occupations or skills are to be contained in the local workforce development plan;

- How the ITA training services 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. Note: The Employment and Training Division of OESC intends to publish the list of eligible providers on its Internet website for customer convenience. Participants must be able to access WIA training services from any eligible training provider on the state list.

- The ITA shall cover ONLY those training costs required by the institution/school to complete the training program.

- The duration of the ITA;

- If a dollar amount and/or duration 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 or individual service strategy;

- Procedures so participants will be assisted early in the assessment process, as appropriate, to establish eligibility for Higher Education Act Title IV funds and other forms of financial aid. This includes providing the appropriate application forms to participants and providing any needed assistance in completing and submitting these forms. These application forms are accessible online at www.FAFSA.ed.gov.

Documentation
The following documents are minimum requirements for establishment of an Individual Training Account:

- Individual Employment Plan (IEP) or Individual Service Strategy (ISS)
- Individual Training Account form (SAMPLE provided at attachment A)

Coordination of ITAs with other Grant Assistance

General
The Workforce Investment Act limits funding for training to individuals who are:
- unable to obtain grant assistance from other sources to pay the costs of their training; or
- require assistance beyond that available under grant assistance from other sources to pay the costs of such training. [Section 134(d)(4)(B)].

Training providers must consider the availability of Pell Grants and other sources of financial assistance to pay for training costs so that WIA funds supplement other sources of training grants. Case Managers must ensure that tuition-specific awards from all other sources have been applied to the tuition/fees costs first. This coordination of available funds by program operators, training providers, and case managers will ensure there is no duplication of payments. Please see Attachment C for background information on Pell Grants.

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. There are three caveats:

- WIA funds for training services are limited to instances when there is no or inadequate grant assistance from other sources.

- Duplicate payments of costs when an individual is eligible for both WIA and other assistance including Pell Grants must be avoided.

- Participation in a training program funded under WIA 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 [20 CFR Part 663.320(b)]. These entities should consider all available sources of funds, excluding loans, in determining an individual's overall need for WIA funds.

With appropriate coordination and arrangements, the WIA counselor is likely to know the amount of Pell Grant funds available to the WIA participant when calculating the amount of financial assistance needed for the participant to complete the training program successfully. The WIA counselor needs to work with the WIA 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(d)(4)(B)(ii) permits a WIA participant to enroll in a training program with WIA funds while an application for Pell Grant funds is pending. However, the WIB must be reimbursed if both funding sources end up paying the same costs for the same client.

Local Policy

Local policy must establish the following coordination requirements to ensure the use of WIA funds is always secondary to the use of funds from other applicable sources:

- 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 amounts may be established and/or a maximum amount applicable to all ITAs may be established;

- A process for documenting how other sources of funding were sought first (e.g., Pell Grants, OHLAP, one-stop programs other than WIA, etc.);

- 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. Resources may include wages earned by the participant through employment while attending training.

- How local staff will record the participant training-related financial assistance needs and the mix of funding assistance (employment and training and Higher Education Act funding) in the participant's record. Also, local policy will establish a methodology to determine the participant's training-related financial assistance needs.

- Procedures and forms to authorize release of a participant's financial aid information by the post-secondary institution.

- Language in the ITA requiring the educational institution's financial aid officer to inform the local WIA staff of the amounts and disposition of any Higher Education Act Title IV awards and other types of financial aid to each participant awarded after the enrollment of the participant, as part of a continuing, regular information sharing process. Also, the ITA shall contain language that establishes safeguards to ensure that WIA (and other one-stop partner) funds are used in addition to funds otherwise available and are coordinated with these funds.

- Language that 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 and after counseling regarding the responsibilities associated with the indebtedness, including loan repayment. Such counseling must be acknowledged in the participant's record.

Documentation
The following documents are minimum requirements to verify that funds from all sources were appropriately coordinated:

- Verification of FAFSA applications e.g., Student Aid Report (SAR)
- Itemized cost of attendance from the training provider
- Statement of Account to verify that all other funding sources have been applied prior to the application of WIA funds.

Payment

General
The Individual Training Account is established on behalf of a participant who then purchases training services from eligible providers they select in consultation with a case manager. Payments from ITAs may be made in a variety of ways, including the electronic transfer of funds through financial institutions, vouchers, or other appropriate methods. Payments may also be made incrementally; through payment of a portion of the costs at different points in the training course.

Local Policy

- The internal procedure for endorsing and facilitating access to training services. (Please see Attachments A and B for forms that you may use to facilitate this service and modify, as you need.)

- A process for tracking WIA Title I expenditures paying for the individual's training;

- The method for disbursement of funds. Only training providers that are on the list of eligible providers are able to redeem ITAs for payment.

Documentation
Minimum requirements necessary to validate the appropriate expenditure of WIA training funds include:

- A payment mechanism e.g., voucher, purchase order, invoice, source documentation, receipts, etc.,
- A tracking mechanism to ensure locally established funding limits have not been exceeded.

NOTE: When the agreements negotiated are performance-based contracts, one stop centers 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 institution or organization to perform would be removed. Also, the U. S. Department of Education prohibits the practice of withholding Pell Grants from students.

RESCISSIONS: This issuance supersedes OETI 10-2000, issued on May 11, 2000.

ACTION REQUIRED: Local policy, reflecting the guidance provided herein, must be developed and implemented no later than January 1, 2006. Local policies and local operating procedures concerning the cost of training and training-related expenses must reflect prudent fiscal management that results in outstanding customer satisfaction. Every effort should be made to honor the commitments made to clients. But, clients must be made to understand that they must assume some of the responsibility.

CONTACT: Refer all inquiries to Tami Decker at TDecker@oesc.state.ok.us or (405) 962-7595.

Attachment A - Individual Training Account (SAMPLE)
Attachment B – Individual Training Voucher Form with Instructions
Attachment C - Individual Training Voucher Modification Form with Instructions
Attachment D - Background on the Pell Grant

Attachment A

Individual Training Account (ITA)

Name: ______________________________ SSN:____________________________________

The ____ 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__________________. I understand that continued sponsorship is dependent upon: *month/day/year*

   (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 __________*Service Provider*__________, 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 <u>prior</u> 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. 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 occupation training enrollment, and I agree to make application for such assistance through FAFSA, and I am aware that funds obtained through all other sources must be applied before funds provided by the Workforce Investment Act.

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: _________________________.
(Date)

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 am experiencing difficulty with a class that is necessary for completion of my training, I will seek out tutoring or remediation services with the assistance of my case manager.

vii. The ITA shall cover ONLY those training costs required by the institution/school to complete the training program.

g. I recognize that no additional funding will be added to my ITA after I have expended my total budgeted training funding.

h. I will inform my case manager of address, phone number, or back-up contact changes as they occur.

i. All WIA sponsored customers do not receive the same services. Because of this, I agree not to discuss the specific monetary award I am receiving with anyone other than my case manager and/or appropriate financial staff.

j. I am aware of training available for which there is a demand in the area served by this program, or in an area where I am willing to relocate upon completion of training. I have been informed that the training program I have chosen is directly linked to the occupation(s) of ________________________________, which is/are considered in demand.
(*Workforce Investment Area)*

k. I have reviewed the Eligible Training Provider list and have chosen ____________________ ay my training provider.

l. I understand that violation of training institution or WIA guidelines can result in termination of sponsorship.

m. I understand that, concurrent with my training, I may choose to utilize *One-Stop Center* services where I will be given detailed assistance in preparing for and obtaining employment in the field for which I am being trained.

n. Upon completion of training, I agree to keep in contact with my Case Manager, and I will provide my case manager information concerning my employment, current address, and phone number for one (1) year after training completion. I understand that my case manager will maintain contact with me for this time period after I complete training. As a part of this follow-up period, I agree to quickly respond to the _____(Service Provider_______ 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

_______________________________________ _____________________________

WIA Staff Signature Date

Attachment B

Individual Training Voucher Form

Training Provider:

Vendor Number: Fund:

Participant: SSN:

WIA Program

☐Adult ☐Dislocated Worker ☐Youth ☐Other

The WIA has agreed to sponsor the above named participant in the course(s) or program listed below and pay the training costs listed (based on off-the-shelf catalog prices) for the time period of to .
Refunds or returns for non-completion of training will be made to the WIA.

Training

Course No.	**Course Title**	**Hours**

Authorized Training Costs

Item	Amount	Item	Amount
Tuition	$	Equipment/Tools	$
Fees	$	Uniforms	$
Books	$	Other	$
		Total	$

For WIA Use Only:

Individual Training Voucher Form
Instructions

An additional header may be added below the "Individual Training Referral Form" heading. This section has been left blank so that the Workforce Investment Area may customize the form for identification purposes.

1. Training Provider – Enter the name of the training service provider.

2. Vendor Number – Enter the vendor number of the training service provider.

3. Fund – For WIA use: Enter N/A if not applicable.

4. Participant – Enter the participant's name exactly as it appears on the WIA application.

5. SSN– Enter the participant's social security number as identified on the WIA application.

6. WIA Program – Mark **ALL** of the appropriate WIA program/funding sources for which costs are charged (tuition, books, etc.) for this referral.

7. Time Period – Enter the beginning and ending period for which costs may be incurred under this referral.

8. Course Number – Enter the course number exactly as published in the service provider's catalog or supplemental publication.

9. Course Title – Enter the course title exactly as published in the service provider's catalog or supplemental publication.

10. Hours – Enter the hours (credit or actual) exactly as published in the service provider's catalog or supplemental publication.

11. Authorized Training Costs – Enter tuition and fee costs exactly as published in the service provider's catalog or supplemental publication. Enter actual or estimated costs for books, equipment/tools, uniforms and other costs as appropriate. Cost of books, equipment/tools, uniforms, and other costs may vary: therefore, a "maximum" should be used. **A modification is not required for these items if the cost is lower than the maximum estimate cost shown here**. Enter N/A if not applicable.

12. Total – Enter the total sum of all authorized training costs.

13. For WIA Use Only – WIA specific information may be added to the form. This may include invoicing instructions, participant support services, obligation information, additional signature lines or other WIA specific language.

NOTE: The WIA may enter "See Attached" in the course number, title, and hours section if the institution enrollment form is attached for the participant.

Attachment C

Individual Training Voucher Modification Form

Modification Number: Effective Date:

Training Provider:

Vendor Number: Fund:

Participant: SSN:

WIA Program

☐Adult ☐Dislocated Worker ☐Youth ☐Other

Explanation for this Modification:

Check Those That Apply	Item	Amount	Check Those That Apply	Item	Amount
	Tuition	$		Equipment and Tools	$
	Fees	$		Uniforms	$
	Books	$		Other	$
Total Amount of ☐Increase or ☐Decrease					$

Supporting Documentation Attached: ☐Yes ☐No

For WIA Use Only

Individual Training Voucher Modification Form
Instructions

An additional header may be included below the "Referral Modification Form" heading. This section has been left blank so that the WIA may customize the form for identification purposes.

1. Modification Number – Enter the number of the modification. 1,2, etc.

2. Effective Date – Enter the effective date of the modification.

3. Training Provider – Enter the name of the service provider.

4. Vendor Number – Enter the WIA vendor number as assigned by the WIA.

5. WIA Program – Enter the program title as identified on the original "Individual Training Voucher Form".

6. Participant Name – Enter the name of the participant.

7. SSN – Enter the social security number of the participant.

8. Explanation for Modification – Identify the reason or need for a modification of the "Individual Training Voucher". Be specific.

9. Check Those That Apply – Identify each of the areas being modified and the dollar amount to be modified. All decreases shall be identified as follows: <$0.00>. A modification is not required if the costs of books, equipment/tools, uniforms and other costs are lower that the maximum estimate which was stated on the Individual Training Voucher Form.

10. Total Amount of Modification – Enter the total dollar amount of the modification and check the box indicating an increase or decrease.

11. Supporting Documentation Attached – Check the appropriate answer. All modifications increasing the training cost shall have documentation attached. Modifications for deobligation or a decrease of training funds may not require supporting documentation.

12. For WIA Use Only – WIA specific information may be added to the form. This may include invoicing instructions, participant support services, obligation information, additional signature lines or other WIA specific language.

Attachment D

Background on the Pell Grant

Federal Pell Grants are considered to be the foundation of a student's financial aid, to which other Federal and non-Federal sources of aid may be added. Pell Grants are reserved for the student's use to cover tuition and living expenses incurred for undergraduate, post-secondary education or training. Preliminary eligibility for Pell Grant can, and should, be determined before the participant enrolls in a particular school or training program. The application for determining eligibility and ultimately the amount of the grant, should be readily available at all one-stop centers for assistance in the completion of these "gateway" financial aid applications.

The Student Financial Aid Program uses the following two figures when calculating a student's eligibility for and amount of Pell Grant assistance:

- The Expected Family Contribution (EFC) formula is the standard formula used in determining financial need for Federal Pell Grants and other student financial aid programs. The EFC is based on information the student reports on the financial aid application form.

- The Cost of Attendance (COA) is an estimate of a student's education expenses for the period of enrollment. These expenses include tuition and fees, room and board, books, supplies, transportation and miscellaneous expenses, childcare, and special costs for handicapped students/participants.

For WIA purposes, a student's unmet 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 sources. The total aid a student may receive from all sources may not exceed the student's Cost of Attendance. A student may borrow the amount of the EFC from the Federal Family Education Loan Program (FFELP).