

SOUTHWESTERN AREA WORKFORCE DEVELOPMENT BOARD

INDIVIDUAL TRAINING ACCOUNT POLICY 17-08.5

DATE OF ISSUE

September 12, 2019

EFFECTIVE DATE

September 16, 2019

APPLICABILITY

This applies to Southwestern Area Workforce Development Board (SAWDB), providers of Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker, out-of-school youth employment, and training services.

PURPOSE

To establish policy for local workforce development boards regarding individual training accounts.

BACKGROUND

The Individual Training Account (ITA) is established on behalf of a participant to provide training services. Adult, Dislocated Workers & Youth purchase training services from eligible providers selected from the Eligible Training Provider list of approved providers and in consultation with the case manager.

ACTION

References include the following: Public Law WIOA

Individual Training Accounts (ITA) provides a mechanism for the payment of training expenses to eligible training providers for individuals receiving funds from the Workforce Innovation and Opportunity Act. (WIOA)

A. ITAs shall be limited to individuals unable to obtain other grant assistance or require assistance beyond that available from other grant assistance programs. The service provider, at each training enrollment period

(i.e., semester, quarter), shall document the unavailability of other funding sources such as Pell Grants, Trade Adjustment Act (TAA), Temporary Assistance for Needy Families (TANF), or other federal grants. Participant must apply for other forms of financial assistance prior to receiving an ITA and throughout WIOA funded training as appropriate. Application, applicant statement, receipt, or denial of financial aid must be maintained in the participant file.

- B. ITAs shall only be issued to individuals who have been determined to need training services to obtain employment.
- C. ITAs shall be developed jointly by the individual and case manager using the results of the assessment and an Individual Employment Plan (IEP). The case manager shall verify that the participant meets the training provider's enrollment criteria for admission to the training program or course of study as well as coordinate the provider's acceptance of the participant into the program and coordination of case management.
- D. Customer choice. A foundation of the WIOA is "informed customer choice" with the ultimate decision resting with the customer within state and local parameters and policy.
- E. It is the responsibility of the local board and local service provider to assist customers in making informed choices regarding career paths and training through the dissemination of information on state and local targeted industry and occupations in demand.
 - 1) Participants shall be able to use their ITAs to acquire training services from any training provider on the statewide eligible training provider list in a manner that maximizes informed customer choice.

- 2) WIOA is not an entitlement program. Customer choice shall be exercised within the targeted industry and demand occupations designated. Individuals, eligible or otherwise, that seek training outside of these designated areas can be provided assistance in pursuing other sources of financial aid.
 - 3) The policy does not have a minimum hourly wage requirement for an occupation, which allows a service provider to issue an ITA in an occupation that meets the requirements. The service provider should consider whether a low wage occupation can lead to a career path for higher earnings and when the service providers Median Earnings Report shows that it can off-set a lower wage occupation. For example, a person who has no or little work skills, can train for an occupation that can incrementally lead toward the self-sufficiency wage – such as, a CNA, whose path leads to an LPN, and RN. In areas where the low wage occupation does not lead to a career path to a self-sufficiency wage, the service provider is responsible for assisting the customer in making informed choices regarding career pathways and training through the dissemination of information on the state and local targeted industries and occupations in demand. Accordingly, if the low wage occupation does not lead toward a self-sufficiency wage, then the customer has the information to make an informed decision as to which occupation to pursue. A customer cannot be restricted from enrollment based on the wage of the occupation when it leads toward a self-sufficiency wage and when the service providers Median Earnings Report shows that it can off-set a lower wage occupation. A service provider and the customer should consider the career pathway based on the customer's work skill level and if the occupational training will lead to higher earnings.
- 4) Out-of-school youth participants, ages 16-24 may receive an individual training account to access occupational skill training with or without co-enrolling in the adult and dislocated workers program.
- F. In consideration of Sections E. (2) and F. (1), service providers must examine the occupations in demand and develop a strategy to address the level of skilled workers available to employers within various occupations.
- 1) The service provider needs to consider how it will spread its limited funds among the different occupations in demand throughout the service area. Accordingly, the service provider may temporarily limit or stop issuing ITAs in an occupation or occupations.
 - 2) When the labor market information shows that an occupation has been adequately supplied in the region, the service provider has the discretion to reduce or stop the issuance of ITA contracts until the labor market information shows a need to issue ITAs.
 - 3) The Administrative Entity must be notified in writing prior to the service provider temporarily limiting or stopping the issuance of ITAs to an occupation or occupations. The Administrative Entity must approve moratorium in writing.
- G. Training programs may only be selected from the approved Eligible Training Provider list and must be an "occupation in demand". The participant will have access to the list of eligible training providers through the Virtual One Stop System.
- 1) An "occupation in demand" is defined by the SAWDB as those that have a annual openings of 4 or more, or Total Percent Change of 8% or more. Projections can be found in the Labor Market Information on New Mexico Workforce Connection Online

System and uploaded into the participant's online file The SAWDB may also approve training services for occupations determined in sectors of the economy that have a high potential for sustained demand or growth in the local area and/or those designated as priority industries within the region.

- 2) Exceptions to the "occupation in demand" criteria are allowed when a participant provides a "letter of hire" from an employer, signed by an individual with the authority to hire on company letterhead, stating they will employ the participant as a full-time employee upon successful completion of the training program. Employment is defined as any service, including service in interstate commerce, performed for wages or under any contract of hire, written or oral, expressed or implied.
- 3) The "letter of hire" is not applicable to jobs that are based on commission earnings that do not include at least 32 hours of wage or salary earnings per week. The wage rate or salary must be at the minimum employment wage rate under federal, state, or local law plus commission.
- 4) The occupation in demand or letter of hire must be documented in the participants' file.
- 5) The following are the required elements for the letter of hire:
 - (i) Statement indicating an "offer of employment"
 - (ii) Employment start date
 - (iii) Salary or hourly rate of pay, and that the position is full-time at minimum of 32 hours per week
 - (iv) Fringe benefits, such as insurance, retirement, or vacation, if offered
 - (v) Supervising position of the participant

- (vi) Statement indicating pay frequency, such as bi-weekly, weekly, semimonthly, etc.
 - (vii) Statement, signature, and date line for applicant to confirm the acceptance of the job offer
 - (viii) State the contingencies of employment, such as degree, certificate or license that must be in hand prior to start date; expirations of offer, if contingencies are not met; verification of eligibility to work in the United States; background check and drug screening, if applicable.
- 6) Prior to issuing a letter of hire, employers should verify applicant's eligibility to work in the United States and re-verify prior to the first day of employment.
 - 7) Service providers will verify employment and case note the follow-up within the first quarter after exit.
- H. Participants must be able to use their ITA to procure services from any eligible training provider on the local/state list.
 - I. The SAWDB, or its designee, shall establish a mechanism for payment to an approved training provider. This process shall include tracking expenditures of all resources paying for the participant's training, including WIOA Title I funds of the ITA.
 - J. Participants shall be able to use their ITAs to acquire training from any eligible training provider on the state list, or training provider lists of other states.
 - K. When an individual is approved for training and an eligible provider is selected, an ITA must be completed by the case manager. The application should contain a commitment to complete training, to provide attendance information, grades or progress reports with a cumulative grade point average of 2.0 or above, and credentials to utilize the provider's resources for placement, and when hired, to

provide placement and follow-up information to the case manager. Provisions should also be included for follow-up activities to determine employment retention and wages after employment, to include authorization for access to unemployment insurance (UI) wage records.

L. The allowable amount of training costs applicable to all Individual Training Accounts (ITAs) is dependent upon the type of occupational skill training and the range of costs for such training. The maximum cost per individual using ITAs shall not exceed the following:

Degree or Certification	Maximum Years	*Maximum Amount Per Year	Total Maximum Amount
Bachelors	5	\$3,000.00	\$15,000.00
Associates	3	\$3,000.00	\$9,000.00
Short-term Certifications	1	\$4,000.00	\$4,000.00

- 1) *The maximum amount per year is determined by when the first contract for an ITA is issued. A year begins on the date of the first ITA contract, not on a calendar year or program year.
 - 2) **For example:** If the first ITA contract is issued on August 15, 2018, then the one-year term ends on August 14, 2019.
 - 3) A waiver request may be submitted to the WIOA Administrator to exceed the Maximum Amount per Year or the Total Maximum Amount when it is demonstrated that the participant's financial need exceeds their financial resources. The WIOA Administrator is authorized to grant or not grant the waiver. The Administrative Entity will provide a guidance letter on the waiver request criteria and submission instructions.
- M. Only the full payment for each semester, quarter, or other training period will be allowed if the training provider has a published prorated refund policy applicable for all students who may drop out of that training institution. Advanced payments beyond each training period are not allowed.

- N. The durational limit of an ITA for an individual participant is based on the needs identified in the Individual Employment Plan (IEP), but cannot exceed the amount training years set in the above table.
- O. Exceptions to pursuing an additional credential through an ITA training within a five-year period, training exceeding allotted number of years, and cost limitations may be allowed under extenuating circumstances following the SAWDB waiver policy and must be documented in the participant's file.
- P. Use of an ITA is necessary for the following types of training:
 - 1) Occupational skills training services, including training for nontraditional employment; Prerequisite courses required for acceptance into a vocational/occupational skills training program is allowable only when the entire program including prerequisites can be completed within the allotted number of years. In the event the completion of prerequisites may not result in the acceptance and entrance into a vocational/occupational skills training

- program, prerequisites must be completed and acceptance into a program | documented prior to enrollment into WIOA funded training.
- 2) Programs that combine workplace training with related instruction which including appropriate education programs
 - 3) Training programs for occupations in demand operated by the private sector
 - 4) Skill upgrading and retraining
 - 5) Entrepreneurial training
 - 6) Adult basic education/ESL/literacy provided in combination with the above training
 - 7) Post-secondary education for careers in demand
 - 8) Bureau of Apprenticeship Training (BAT) approved apprenticeship programs.
- Q. Short-term prevocational activities not allowed under an ITA. Short-term prevocational activities are Individualized Career Services that prepare individuals for employment or enable workers with skills to acquire a necessary occupational credential through short-term continuing education. Examples include development of (1) basic learning, communication, and interviewing skills, such as punctuality, personal maintenance, and personal conduct skills, (2) employability skills training such as job preparation and work maturity skills developed in SCANS (Secretary's Committee on Achieving Necessary Skills) and (3) in the development of occupational literacy skills to complete a training program or class, such as a basic computer class in Word. Basic skill/academic remediation including Developmental Math/English, English-as-a Second Language (ESL), literacy training, GED preparation, employment skills enhancement and others leading to the attainment of a high school diploma or equivalent, or attainment of basic and employment skills competencies are considered to be pre-vocational short-term trainings funded under Intensive Services, but only after exhausting and documenting the lack of other available resources to provide such training. If taken alone and funded as an Intensive Service, participants must be able to complete needed academic remediation/developmental instruction in preparation for employment or regular curriculum in 12 months or less.
- R. ITAs are not used for customized training or a training services program of demonstrated effectiveness serving special participant populations that face multiple barriers to employment.
- S. SAWDB or providers shall monitor the use of ITAs to ensure that training services are provided in a manner that maximizes customer choice regarding career paths and training through the dissemination of information on state and local targeted industry and occupations in demand, with sound accounting and payment procedures used and local limitations are observed.
- T. SAWDB Administrative Entity or designee shall ensure that Career Services are made available to individuals in the One Stop Centers, which must include the completion of an Individual Employment Plan (IEP) prior to participation in any training activity. The IEP must document the participant's ability to succeed in the selected training program.
- U. The ITA will cover all books, fees, and training materials, supplies and uniforms as required in the training institution participant statement as issued by the training provider in addition to tuition except for those covered by other forms of financial assistance. WIOA funds are intended to supplement other sources of funding for training to participants who are unable to find other grant assistance or who's financial needs exceed the assistance available from other sources. ITAs must be coordinated with other grant assistance to ensure that WIOA funds are not used to pay for the cost of training when grant assistance from other sources are available to pay the costs. The following documentation for the ITA contract must be scanned

into NMWCOS:

1. ITA Contract (signed by all parties)
 2. Fund Training Sheet
 3. Class Schedule,
 4. Degree Plan
 5. Customer Choice
 6. Approved WIOA Program Screenshot
 7. Occupation in demand Screenshot (Projected annual job openings/projected employment growth)
 8. Training Institution's Participant Statement
- V. A WIOA participant may enroll in a training program with WIOA funds while application for Pell Grant funds are pending, but the local Workforce Development Board must be reimbursed for the amount of the Pell Grant used for training if the application is approved. Only that portion provided for tuition is subject to reimbursement. Permission must be given to the service provider by the participant to obtain financial aid information by the post-secondary institution,
- W. Enrollment in an ITA and the execution of the ITA contract must be done no later than the start of a training. The Board will not pay for training on an ITA contract executed after the first day of training, and service providers will be responsible for paying for the costs with non-WIOA funds.
- X. ITA modification must be done when there is a change in the contract to the tuition/fees, books, or supplies. The modification must be signed by all parties. When the amount of the contract is different than the amount of the institutions invoice then a de-obligation must be made to the voucher in NMWCOS,
- Y. Service Provider Case Managers will assure that tracking mechanisms are in place to ensure funding caps are not exceeded.
- Z. Service Provider Case Managers will maintain contact with participants during training to track performance, attendance, change in status, as well as inform participants of their account status. All contact will be documented in the participant's files in New Mexico Workforce Connection On-line System (NMWCOS).
- AA. SAWDB shall make provisions for the maintenance and retention of ITA records, including systems of issuance, funding obligations/expenditures, oversight, and completion in accordance with WIOA record retention requirements. Such records shall be retained for a period of three program years from the date the individual participant exits unless an unresolved audit is pending. In that case, records must be retained until final resolution of the audit.
- BB. SAWDB shall ensure that selected training providers are afforded appropriate training and technical assistance necessary to deliver the required WIOA services.

INQUIRIES

Questions related to this policy should be directed to the Administrative Entity at (575) 744-4857.

ATTESTED

This policy was reviewed and approved by the SAWDB on September 12, 2019

SAWDB Chairman

Date