New Mexico
Workforce Connection
Central Region

Operational Policy NO. OP- 419, Change 7

Subject: **Individual Training Accounts**
Effective: **PY2018 6/17/2019**

PURPOSE. The purpose of this policy is to provide direction to Workforce Connection of Central New Mexico (WCCNM) on Individual Training Accounts (ITAs).

REFERENCES.

- Title I of the Workforce Innovation and Opportunity Act (WIOA}, July 22, 2014, Sections 108 and 134(c} (3)
- Training and Employment Guidance Letter WIOA No. 19-16 Operating Guidance for the Workforce Innovation and Opportunity Act
- Training and Employment Guidance Letter WIOA No. 41-14 Training and Employment Guidance Letter
- Office of Management and Budget (0MB), Uniform Guidance at 2 CFR §200
- WIOA Final Rules - U.S. Department of Labor (Title I}: §680.200- 230, §680.300-350 and 681.550

BACKGROUND.
The Workforce Innovation and Opportunity Act (WIOA} allows for training services provided to eligible Title 1 Adults, Dislocated Workers and Out-of-School Youth through the use of ITAs. ITAs shall be used for classroom training, with limited exceptions listed in Sec. 134(c}(3}(G) and expanded in §680.320, and may include apprenticeship training or other training options. The ITAs may also be used as appropriate for out-of-school youth, ages 16 to 24, utilizing the WIOA Title I Youth program funds.

DEFINITIONS.

- ***Eligible Training Provider List (ETPL)*** are organizations deemed eligible by the state to provide training services to WIOA Adult and Dislocated Worker program participants. The name of the eligible

training provider, the type of entity the type of training entity of ETPs are defined in 20 CFR part 680.410 and includes:
(a} an institution of higher education that provides a program that leads to a recognized postsecondary credential;
(b} programs registered under the "National Apprenticeship Act";
(c) a public or private provider of training services.

- ***High-Priority Occupation {HPO)*** is an in-demand occupation that has higher skill needs and is likely to provide a self-sufficient wage. Statistical data, regional expertise and local area inputs are combined to determine whether or not an occupation meets the high- priority criteria.

- ***Individual Training Account (ITA)*** A payment agreement established on behalf of an eligible individual needing training for employment with an approved established training provider on the Eligible Training Provider List.

- ***In-Demand Industry Sector*** is an industry sector that has a substantial current or potential impact (including jobs that lead to economic self-sufficiency and opportunities for advancement) on the state, regional, or local economy, which contributes to the growth or stability of other supporting businesses, or the growth of other industry sectors.

- ***In-Demand Occupation*** is an occupation that currently has or is projected to have a number of positions (including positions that lead to economic self-sufficiency and opportunities for advancement) in an industry sector so as to have a significant impact on the state, regional, or local economy, as appropriate.

- ***On- the-Job Training (OJT)*** means training by an employer that is provided to a paid participant while engaged in productive work in a job that:
  (a) Provides knowledge or skills essential to the full and adequate performance of the occupation;
  (b) Provides reimbursement to the employer for the costs of providing the training and additional supervision related to the training; and
  (c) Is limited in duration as appropriate to the occupation for which the participant is being trained.

Note: The determination of whether an industry sector or occupation is in-demand in a local area is made by the WCCNM, as appropriate, and as defined by Central Region Board policy OP-418.

POLICY:

A. General ITA Requirements

ITAs shall be issued only to individuals who have been determined in need of training services to obtain employment and who are eligible for WIOA services. ITAs are not considered an entitlement. WIOA Eligibility STAG, Revised July 1, 2015.

ITAs shall be issued to meet the workforce needs of employers for a skilled labor force by preparing individuals to gain higher skills through training and employment leading to economic Self-Sufficiency. Operational Policy NO. OP – 430.

Section 134(c)(3)(E) of WIOA establishes a priority requirement with respect to funds allocated to a local area for adult employment and training activities. Also see Priority of Service Operational Policy NO. OP-404.

Under Title 1 of WIOA, training services are typically provided by ETP's who receive payment through an ITA. Eligible individuals may select training services from the ETPL, in consultation with a case manager. The workforce delivery system will refer the individual to training and establish a payment agreement on behalf of a participant with the training provider.

Only those training providers that are on the State's ETPL are able to establish an ITA for payment.

B. Informed Customer Choice

Training services, whether accessed by ITAs, or under contract, must be provided in a manner that maximizes informed consumer choice in selecting an eligible training service provider in accordance with the goals and objectives outlined in the client's individual employment plan (IEP). Customers are to receive assistance with career choices; however, the ultimate decision rests with the customer. Priority consideration shall be given to programs that lead to recognized post-secondary credentials that are aligned with in-demand industries sectors or occupations in the local area, as identified by the local board.

C. Coordinating ITAs with Other Sources of Funding

WIOA funding for training is limited to participants who are either unable to obtain grant assistance from other sources to pay the costs of their training; or require assistance beyond that available under other grant assistance. Each local board, through the workforce center, must consider the availability of other sources of grants to pay for training costs so that WIOA funds are used to supplement other funding sources. They must coordinate funding for ITAs with funding from other Federal, State, local, or private job training programs or sources, including Federal Pell grants, to assist the individual in obtaining training services. In making the funding determination, WCCNM should take into account the full cost of participating in training services,

including the cost of support services and other appropriate costs. A WIOA participant may enroll in WIOA-funded training while an application for a Pell Grant is pending as long as the workforce center has made arrangements with the training provider and the WIOA participant regarding allocation of the Pell Grant, if it is subsequently awarded.

D. ITAs in Conjunction with On the Job Training (OJT) and Apprenticeship

ITAs may be provided to individuals in conjunction with On the Job Training funds when appropriate, and the ITA may be used before, during, or after an OJT.

ITAs can be used to support participants enrolled in apprenticeship programs by providing services listed:

1. Pre-apprenticeship training- Basic skills preparation; under WIOA funds can be used to fund pre- apprenticeship programs that provide basic skills, work experiences, and other support to help participants obtain the skills needed to be placed into an apprenticeship.
2. Related Instruction - Related classroom instruction component of an apprenticeship program, as long as the apprenticeship program or the education/training provider is on the ETPL. Under WIOA, all Registered Apprenticeship programs sponsors are automatically eligible to be on the ETPL.

E. ITA Requirements and Limits - §680.310

The WCCNM imposes requirements and limits on ITAs such as:

a. Individual needs based on the individual's employment plan, such as the participant's occupational choice or goal and the level of training needed to succeed in that goal;

b. A limit on the maximum amount of an ITA: shall be limited to $9,000.00, in a five (5) year period;

c. Customers entering into and/or continuing an ITA must maintain a 2.0 grade point average throughout the duration of the training;

d. Customers must apply each year/or semester for Student Financial Aid/Pell Grant;

e. Customer must maintain a course load sufficient to complete the program within the standard time frame (at least 6 semester hours), barring unusual circumstances.

f. WCCNM-funded ITA training cannot be duplicated; therefore, for any individual, a class cannot be paid for more than once with WIOA funding.

g. An individual may select training that costs more than the maximum amount

available for ITAs under a State or local board policy when other sources of funds are available to supplement the ITA. These other sources may include: Pell Grants; scholarships; severance pay; and other sources.

h. Requirement for Online/Distance Courses:

All Service Provider staff and customers must follow all the requirements noted above pertaining to the ITA process.

All Service Provider staff and customers will jointly decide upon the recommended/desired training that best fits the customer, while considering the deciding factors.

All online/distance training programs must be approved by the Administrative Entity (MRCOG) and placed on the Eligible Training Provider List, with all costs outlined.

Customers seeking **only** online/distance training programs will **NOT** be eligible for transportation, temporary shelter, and childcare supportive services through the WCCNM.

Customers seeking online/distance training programs must demonstrate to the WIOA staff they have access to a computer and are able to effectively access the recommended online program, separate from the Workforce Connection One-Stop.

F. **Exceptions to the ITA**

Contract for service may be used instead of ITAs, only when one or more of the following five exceptions apply and the local area has fulfilled the consumer choice requirements:

a. When the services provided are on-the-job training (OJT), customized training, incumbent worker training or transitional jobs.

b. Where WCCNM determines there are an insufficient number of eligible providers in the local area to accomplish the purpose of an ITA. The determination process must include a public comment period for interested providers of at least 30 days, and be described in the Local Plan.

c. When the WCCNM 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 individuals with barriers to employment. The WCCNM must develop criteria to be used in determining demonstrated effectiveness, particularly as it applies to the individuals with barriers to employment to be served. The criteria may include:

(i) Financial stability of the organization;

(ii) Demonstrated performance in the delivery of services to individuals with barriers to employment through such means

as program completion rate; attainment of skills, certificates or degrees the program is designed to provide; placement after training in unsubsidized employment; and retention in employment; and

(iii) How the specific program relates to the workforce investment needs identified in the local plan.

d. When WCCM determines that it would be most appropriate to contract with an institution of higher education (see WIOA sec. 3(28)) or other provider of training services in order to facilitate the training of multiple individuals in in-demand industry sectors or occupations, provided that the contract doesn't not limit consumer choice.

e. When the WCCNM is considering entering into a Pay-for Performance contract, and the local board ensures that the contract is consistent with §683.510.

G. **Documentation**

Local areas must document that a training program was on the ETPL in approved status for WIOA funding at the time that training is approved.

The Administrative Entity must contain a copy of the ITA commitment or agreement document and supporting source documentation, signed by the participant and training vendor, that identifies at a minimum the amount of funding, the school and program, as well as the term of the ITA.

H. **Internal Procedures**

Developed and maintained separately with A/E and Service Providers.

Applicability:

WCCNM Board and Service Providers

Note: Customers enrolled in an ITA prior to the effective date of this policy will be allowed to continue with the provisions and funding amounts under the previous ITA policy.

Inquiries:

WIOA Manager at 505-724-3629

This Policy has received approval by the Workforce Connection of Central New Mexico Board and rescinds any policy previously in effect.

WCCNM Board Chair