

## Union County Workforce Development Board Individual Training Accounts Policy Directive

### Background

This Policy Directive is drafted to direct the allocation of resources for occupational training in the seven (7) sectors identified by the State as the areas that offer the most employment opportunities. The County provides Individual Training Accounts (ITAs) to participants to access occupational training which has been the traditional training procurement process. The other opportunity for training would be to provide class size training.

Policy Directive focuses a significant portion of the funding in the identified growth sectors. More specifically, 50% of the funding for ITAs would be targeted to three growth sectors that provide increased employment opportunities specific to Union County: Transportation, Logistics, and Distribution (TLD); Retail; and Healthcare. There remains substantial funding for ITAs that are not targeted for specific sectors to fulfill customer choice options.

New Jersey also requires that training providers use existing nationally recognized, industry-based skill standards and occupational certifications applicable to their programs for them to be included on the [Eligible Training Provider List \(ETPL\)](#) and receive WIA funds from Individual Training Accounts or direct training grants from any partner agency. The information in the linked tables provides a listing of current nationally recognized, an industry-based occupational certification that can be utilized when reporting the attainment of a credential.

Individual Training Accounts are established on behalf of the participant. WIOA Title IB Adult, Dislocated Worker, and Older Youth (18 or older) participants will use ITAs to purchase training services from eligible providers they select in consultation with the case manager or career planner. Benefits of use of ITA's include:

- Provides individual enrollees the maximum customer choice
- Individuals chose their training provider
- ITAs provides training services in high demand occupations in a changing economy

Individual Training Account services may be made available to employed and unemployed adults and dislocated workers who have met the eligibility requirements for Individualized Career services and have been determined to be unable to obtain or retain employment leading to self-sufficiency through such services. Youth are not required to receive Individualized Career services as a condition for the ITA.

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### A. Definitions

**Eligible Training Provider** is a provider of training services who has met the eligibility requirements to receive WIOA Title I Adult and Dislocated Worker funds to provide training services to eligible individuals. Eligible training providers may also receive Title I Youth funds through ITAs under certain conditions (see Section B, Training Providers Subject to ETPL Requirements).

**Program of training services** is defined as one or more courses or classes, or a structured regimen, which lead to:

- A recognized post-secondary credential, secondary school diploma or its equivalent,
- Employment, or
- Measurable skill gains toward such a credential or employment.

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A **credential** is awarded in recognition of an individual's attainment of measurable technical or occupational skills necessary to obtain employment or advance within an occupation. These technical or occupational skills are based on standards developed or endorsed by employers. Please see the Policy Manual's Section 4.90, Credentials for further information regarding credentials.

A **pre-apprenticeship** is a program or set of strategies designed to prepare individuals to enter and succeed in a registered apprenticeship program and has a documented partnership with at least one, if not more, registered apprenticeship program(s).

A **program completer** is a participant who meets all requirements of the training program.

A **program exiter** is a participant who left the program during the previous twelve-month period for any reason (including completers).

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**B. Process**

**1. Assessment**

The participant must have a completed IEP or ISS that indicates that, through the interview, evaluation or assessment, the participant has been determined to be in need of training and has the necessary skills and qualifications to successfully complete the selected training program.

**2. ETP Review**

The list of ETPs must be made available to the Local WDB within the state by the State Workforce Agency (SWA), and to the participant by the Local WDB, in order to maximize consumer choice. The selection of training services should be conducted in a manner that maximizes customer choice, is linked to in-demand occupations, is informed by the performance of relevant training providers, and is coordinated to the extent possible with other sources of assistance, including Pell Grants (see WIOA sec. 134(c)(3)).

**3. Selection**

Selection of a training program must include the identification that the training is directly linked to occupations that are in demand in the local area, or in another area to which an adult or dislocated worker is willing to relocate. In determining local demand occupation(s), providers may allow for training in occupations that may have a high potential for sustained demand or growth in the local area.

Participants may select training that leads to self-employment in a particular occupation provided the training costs are covered through an ITA, and the training provider is on the Eligible Training Provider List.

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**C. Limitations on Who Can Receive Training Services**

Training services may be made available to employed and unemployed adults, dislocated workers and youth (age 18 or older) who:

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(a) A case manager or career planner determines, after an interview, evaluation, or assessment, and career planning, are:

- (1) 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;
- (2) In need of training services to obtain or retain employment leading to economic self-sufficiency or wages comparable to or higher than wages from previous employment; and
- (3) Have the skills and qualifications to participate successfully in training services;

(b) Have selected a program of training services that are directly linked to the employment opportunities in the local area or the planning region, or in another area to which the individuals are willing to commute or relocate;

(c) Are unable to obtain grant assistance from other sources to pay the costs of such training, including such sources as State-funded training funds, Trade Adjustment Assistance, and Federal Pell Grants established under title IV of the Higher Education Act of 1965, or require WIOA assistance in addition to other sources of grant assistance, including Federal Pell Grants (provisions relating to fund coordination are found at **WIOA 20 CFR Part 680.230** and **WIOA Sec. 134(c)(3)(B)**); and

(d) If training services are provided through the adult funding stream, are determined eligible in accordance with the State and local priority system, if any, in effect for adults under **WIOA 20 CFR Part 680.600** and **WIOA Sec. 134(c)(3)(E)**.

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**D. Coordination of Funding**

Service providers and training providers must coordinate funds available and make funding arrangements with partner agencies so that WIOA ITA funds supplement Pell and other grant sources to pay for the cost of training. Service providers should consider all available sources of funds, excluding loans, in determining an individual's overall need for WIOA funds. Resources such as PELL, GI Bill and other federal grants should not be included in calculations of the level of WIOA assistance until the grant has been awarded.

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**E. PELL Approval**

Participants may enroll in ITA funded training while their application for a Pell Grant is pending provided that the service provider has made arrangements with the training provider and the participant regarding the allocation of the Pell Grant, if it is subsequently awarded. If a Pell Grant is awarded, the training provider must reimburse the service provider the ITA funds used to underwrite the **tuition** portion of the training costs from the PELL Grant. Reimbursement is not required from the portion of Pell Grant assistance disbursed to the participant for education-related expense. **Note:** Tuition is the sum charged for instruction and does not include fees, books, supplies, equipment and other training related expenses.

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**F. Cost Limits, Duration, and Availability**

**1. Award Limits**

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A maximum of \$5,000 in WIOA funding may be available for the first year of training with a maximum of \$10,000 available over a 36-month period to potentially be used for tuition, fees, books, and required supplies.

If other financial aid is available (excluding loans), it must be applied to tuition and fees prior to WIOA funds being expended. WIOA funds may be applied to books and required supplies prior to other financial aid.

- a) Distribution of Funds: WIOA funding will be distributed proportionally considering the following; length of training, program of training, financial aid, projected expenses over the course of training, and WIOA funds available.
- b) Time: The WIOA customer has 36 continuous months to complete training, calculated from the start date of the term WIOA began funding training. No extensions will be issued.
- c) Training limits: Customers will qualify for one (1) occupational training program in each five-year period. This requirement may be waived if a customer is affected by sudden, severe economic dislocation or approved by the Workforce Investment Board Program Director or designee. If funding is limited, a Standard Operating Procedure is in place to prioritize the applications for training programs.

**2. Additional Requirements:**

To qualify for and continue training, trainees must:

1. Document soft skills or complete a Soft Skills training program prior to or in conjunction with skill training.
2. Demonstrate through assessment results (i.e., TABE, WorkKeys, college entrance exams) the basic skill sets to successfully complete training and obtain employment in the proposed occupation.
3. Maintain a "C" (2.0) grade point average each semester or quarter. The customer will be on probation for the next semester/quarter when the GPA falls between a 1.0 and a 2.0; if two back to back terms are below the 2.0 GPA, funding will be terminated.
4. If the GPA for a term falls below 1.0, the award will not be renewed for the next term. If the customer brings his/her grades up to the required 2.0 in that next term, the award may be reinstated once the proper documents are received, if funds are available.
5. Have acceptable attendance as defined by the training provider.
6. Maintain required contact with Workforce WV case manager.
7. Be enrolled in and attend training for all terms until the completion of the program. Prior approval from the WDB Director or designee is required to "sit out" a term.

**3. Maximum 2 Years**

Training that can be completed within two years or even shorter timeframe is the standard expectation. If a participant is requesting a longer training program, service providers should consult with a program manager. Service providers are to base the amount of the ITAs and duration of the training on each

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eligible participant's needs and circumstances and the availability of program funds; with the goal to serve as many individuals as possible with the funding available.

**4. Semester-Based**

ITAs are awarded per semester, quarter or for uninterrupted training coursework. Second and subsequent ITAs will be awarded only for continuing classes in the educational or training institution initially attended, unless there is mutual and justifiable agreement between the service provider and the participant that another training institution or training program is necessary.

**5. ETPL**

An individual who has been determined eligible for an ITA may select a training institution and program from the New Jersey Eligible Training Provider List (ETPL) or from another State, provided that the training institution and program is listed on that State's Eligible Training Provider List, after consultation with a case manager or career planner. Unless the program has exhausted funds for the program year, the Service provider must refer the individual to the selected training program, and establish an ITA for the individual to pay for training. **WIOA Regs. 20 CFR Part 680.340**

Payments may not be made to a training provider until the service provider ensures that the training provider and program selected is on the Eligible Training Provider list at time of payment for tuition and fees under WIOA ITAs.

Training services, when determined appropriate, must be provided either through an Individual Training Account (ITA) or through a training contract discussed in Section 8 of this TEGL. Except in certain instances listed in WIOA sec. 122(h) and 20 CFR sec. 680.320, training services must be provided by an Eligible Training Provider (ETP) in accordance with WIOA sec. 122(d). Training is available through a State

Eligible Training Provider and Program List (ETPL), comprised of entities determined eligible to receive funds through WIOA Title I, subtitle B, according to the Governor's eligibility criteria and procedure. As described in TEGL 41-14, the State ETPL ensures the accountability, quality and labor-market relevance of programs, and ensures informed customer choice for individuals eligible for training. WIOA also provides enhanced access and flexibility for work-based training options, such as Registered Apprenticeship (RA), on-the-job training, customized training, and incumbent worker training.

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**G. Payment system**

**1. Cost of Attendance**

Individual Training Accounts are designed to identify WIOA funded costs associated with the training cost of attendance. The Cost of Attendance may include tuition, fees, room and board, books, supplies, and tools (if required for the training course). The ITA identifies the WIOA obligation for the participant, and the participant will be able to access information about the account from the Service provider. Each service provider is responsible for maintaining an ITA payment system which ensures that payments made to Eligible Training Providers are timely, for the agreed upon amount, ensuring that the provider is on the ETPL at time of payment and that the payments are supported by appropriate documentation. **[Note:** Cost of Attendance may also include other expenses that are not incurred through the training provider such as child care, transportation, rent and other living expenses. WIOA service providers

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should take into account the full cost of participating in training services, including the cost of support services and other appropriate costs. WIOA funds may be used to assist with such expenses and are considered supportive services]

**2. Financial Responsibility**

Financial responsibility for ITAs remains with the service provider who developed the ITA, in consultation with the participant, throughout the period of training, regardless of the location of the training provider. The financial responsibility of the service provider also extends to supportive services.

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**H. Retakes of required classes**

WIOA funds may be used to pay for retakes of required classes if there is sufficient justification that has been documented by the case manager. Examples of justifiable reasons to pay for a retake would be the requirement to attain a specific grade to advance to higher level coursework in the training program; or circumstances beyond the participant's control such as an unforeseen health issue. Service providers should consult with a program manager if they are uncertain about funding a specific retake request.

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**I. Documentation**

**1. Career Planning / Follow-up**

Contact between the case manager or career planner and the participant must occur, at a minimum, at the end of each quarter, semester or uninterrupted training course during the lifetime of the training plan. Contact may be made by telephone, through the mail, personal contact or other appropriate means to provide documentation of successful progress.

**2. Proof of Participation**

Documents such as attendance records, grade reports, and statements from the instructing agency, are required as proof of participation and satisfactory academic progress. If the documentation indicates the participant is having problems, the career planner should maintain more frequent contact. Documentation of status of the provider, either New Jersey's ETPL or another State's list, must be maintained in the participant's file.

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**J. Training Providers Subject to ETPL Requirements**

The following types of training providers are subject to the ETPL requirements in order to receive WIOA Title I Adult and Dislocated worker funds to provide training services to these participants through ITAs. ITAs may also be used for WIOA Title I Youth funds to provide training to older, out-of-school youth (ages 18-24).

1. Institutions of higher education that provide a program of training that leads to a recognized post-secondary credential;
2. Apprenticeship programs registered by the USDOL Office of Registered Apprenticeship;
3. Public or private training providers, including joint labor-management organizations, pre-apprenticeship programs, and occupational or technical training; and
4. Providers of adult education and literacy activities provided in combination with occupational skills training (e.g., the I-BEST model).

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**K. Youth ITA's**

Before issuing requests for proposal, each local area, with the participation of the youth standing committee, should take the following steps: 1. Conduct an environmental scan to identify partner agencies that are providing program elements in the area/region. The local board can then enter into agreements for these program elements to be provided using non-WIOA funds. 2. Consider the WIOA priorities: 75 percent of funds must be spent on out-of-school youth (not counting administrative funds; must be serviced to this population only) 20 percent of all youth funds must be spent on work experience 3. Review records to estimate the total funds that will spent on ITAs in the program year. 4. Consider other relevant factors such as the local labor market.

**L. Exceptions**

Training Contracts Individual Training Accounts (ITAs) are the primary method to be used for procuring training services under WIOA, similar to the provision of training services under WIA. However, in certain circumstances, a training contract may be used to provide training services, instead of an ITA. These circumstances are referred to as the "training exceptions" or "contract exceptions." Training contracts may only be used if at least one of the five circumstances listed below applies and the process for their use is described in the Local Plan. Additionally, the Local WDB must have fulfilled the consumer choice requirements of 20 CFR 680.340. Under section 134(c)(3)(G)(ii) of WIOA and consistent with 20 CFR 680.320, 680.340, and 680.530, states may use the contract exceptions as described below:

- On-the-job training, which may include paying for the on-the-job training portion of an RA program, customized training, incumbent worker training, or transitional jobs;
- If the Local WDB determines that there are an insufficient number of Eligible Training Providers in the local area to accomplish the purpose of a system of ITAs. This determination process must include a public comment period for interested providers of at least 30 days and must be described in the Local Plan;
- To use a training services program of demonstrated effectiveness offered in a local area by a community-based organization or other private organization to serve individuals with barriers to employment.

The Local WDB must develop criteria to be used in determining demonstrated effectiveness, particularly as it applies to individuals with barriers to employment to be served.

The criteria may include:

- Financial stability of the organization;
- Demonstrated performance in the delivery of services to individuals with barriers to employment through such means as 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; and
- How the specific program relates to the workforce investment needs to be identified in the local plan;

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**M. WDB Options**

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If the Local WDB determines that the most appropriate training could be provided by an institution of higher education or other provider of training services in order to facilitate the training of a cohort of multiple individuals for jobs in-demand sectors or occupations, provided that the contract does not limit consumer choice; and

If the Local WDB determines, a pay-for-performance contract is suitable consistent with 683.500 (note that no more than 10 percent of the local funds may be spent on pay-for- performance contract strategies as they are defined in section 3(47) of WIOA, and be consistent with 20 CFR 683.510). Additionally, a Local WDB may determine that providing training through a combination of ITAs and contracts is the most effective approach.

This approach could be used to support placing participants in programs such as Registered Apprenticeships and other similar types of training. Under WIOA, there is no exclusion of payments for unemployment compensation, child support payments, and old-age survivors insurance benefits from the income calculations for determining if an individual is low-income.

These exclusions that were previously provided under WIA sec. 101(25) no longer apply. Training services, when determined appropriate, must be provided either through an Individual Training Account (ITA) or through a training contract discussed in Section 8 of this TEGL. Except in certain instances listed in WIOA sec. 122(h) and 20 CFR sec. 680.320, training services must be provided by an Eligible Training Provider (ETP) in accordance with WIOA sec. 122(d).

Training is available through a State Eligible Training Provider and Program List (ETPL), comprised of entities determined eligible to receive funds through WIOA title I, subtitle B, according to the Governor's eligibility criteria and procedure. As described in TEGL 41-14, the State ETPL ensures the accountability, quality and labor-market relevance of programs, and ensures informed customer choice for individuals eligible for training.

WIOA also provides enhanced access and flexibility for work-based training options, such as Registered Apprenticeship (RA), on-the-job training, customized training, and incumbent worker training. The list of ETPs must be made available to the Local WDB within the state by the State Workforce Agency (SWA), and to the participant by the Local WDB, in order to maximize consumer choice.

The end-goal of all Individual Training Accounts is to provide occupational training and soft skills development opportunities that lead to full-time employment. Employment benchmark payments to Eligible Training Providers shall only apply towards full-time employment and retention opportunities.

**Restrictions:**

WDB / WIOA funds cannot be used for:

- Funding a customer who (1) has a student loan in default, or (2) is in default with the current training institution.
- Medical or dental procedures (excluding required exams, drug screenings, and TB tests)
- Lost books or supplies or books /required supplies for repeat classes
- Any training beyond a bachelor's level without prior approval of the WDB Director or designee

**Modifications of ITA:**

Requests to modify ITA/Award Requests may be approved on a case by case basis at the discretion of the Program Director or her designee.