PURPOSE. The purpose of this guidance is to provide direction to Local Workforce Development Boards (LWDBs) in the development of a local policy on Individual Training Accounts.

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 (OMB), Uniform Guidance at 2 CFR §200

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 Individual Training Accounts (ITAs). Use of 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 expert 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.

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• **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 local board, as appropriate, and as defined by local board policy.*

**POLICY:**

A. **General ITA Requirements**

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. Priority of Service must be given to recipients of public assistance, other low-income individuals, and individuals who are basic skills deficient in the provision of individualized career services regardless of the level of funds. Priority must be provided in the following order:

1. First, to veterans and eligible spouses who are also included in the groups given statutory priority for WIOA adult formula funds. This means that veterans and eligible spouses who are also recipients of public assistance, other low-income individuals, or individuals who are basic skills deficient would receive first priority for services provided with WIOA adult formula funds.
2. Second, to non-covered persons (that is, individuals who are not veterans or eligible spouses) who are included in the groups given priority for WIOA adult formula funds.
3. Third, to veterans and eligible spouses who are not included in WIOA’s priority groups.
4. Last, to non-covered persons outside the groups given priority under WIOA.

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. 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, LWDB 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 OJTs and Apprenticeships
1. ITAs may be provided to individuals in conjunction with On-the-Job Training (OJT) funds when appropriate, and the ITA may be used before, during, or after an OJT.

2. ITAs can be used to support participants enrolled in apprenticeship programs by providing services listed:
   a. 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.
   b. 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 Limits - §680.310
The State or local boards may impose limits on ITAs, such as limitations on the dollar amount and or duration. Limits to ITAs may be established in different ways:
   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; or
   b. A limit on the maximum amount of an ITA based on a local board’s policy.
   c. Limitations established by State or local boards must be described in the state or local plan, respectively, but must not be implemented in a manner that undermines WIOA’s requirement that training services are provided in a manner that maximizes customer choice in the selection of an ETP. Exceptions to ITA limitations may be provided for individual cases and must be described in State or local board policies.
   d. 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.

F. Exceptions to the ITA
1. 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 a local board 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 local board 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, as described in paragraph (b) of this section. The Local board 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 the local board 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 local board is considering entering into a Pay-for Performance contract, and the local board ensures that the contract is consistent with §683.51C.

G. Documentation

1. 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.

2. The individual case file 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.

Actions Required

Effective immediately a copy of a new or updated local policy following criteria set forth in this guidance must be submitted by email to your board liaison within 90 days of receipt of this guidance. Procedures must also be developed to include such items as:

1. Internal procedure of the issuance of an ITA, that identifies the type of documentation to be used, required signatures and staff authorized to issue the ITAs. In addition to tuition cost, does the ITA pay for books, fees, and equipment and or other education materials? If payments are made incrementally, will factors such as enrollment, program completion, and continued attendance be considered? Are ITAs issued for a single term, semester, or as renewals for longer-term training?

2. Guidelines for the coordination of available Federal, State and local resources to meet the training and education-related costs of services. This includes documenting how WIOA funds are being used
to supplement other available sources of funds.

3. Procedures used to record the participant training-related financial assistance needs, the methodology of how the needs were determined and the mix of funding assistance in the participant’s record.

4. Procedures to authorize the release of a participant’s financial aid information by the post-secondary institution. This includes requiring the educational institution’s financial aid officer to inform the local workforce center staff of the amounts and disposition of any awards and other types of financial aid to each participant awarded after the enrollment of the participant, as part of an ongoing information sharing process.

5. A referral to the local board policy in place for determining the in-demand industry sectors or occupations for the local area.

6. The criteria for local boards to give priority consideration to programs that lead to recognized post-secondary credentials that are aligned with the in-demand industry sectors or occupations in the local area.

7. Procedure for ITA modification and de-obligation.

[Signature]
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