

**WDA 16**

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**Policy Letter 05-2018**

**Policy: Use of Individual Training Accounts (ITAs)**

**I.        Purpose**

A. The purpose of this policy is to identify the parameters to implement a Workforce Development Area 16 (WDA16) Individual Training Account (ITA) policy and to standardize the delivery of ITAs in WDA16, consistently providing training opportunities to participants leading to employment in an in-demand occupation.

**II.       Effective Date**

1. Motion 37-2018 approved on November 16, 2018. This replaces Policy Letter 08-2015.
2. This Policy is in compliance with Ohio WIOAPL 15-11.1.

**III.      Background**

1. **Overview**

A program of training services is one or more courses or classes, or a structured regimen that provides the services that are listed in 20 C.F.R. 680.200 and leads to:

1.       An industry-recognized certificate or certification, a certification of completion of a registered apprenticeship, a license recognized by Ohio or the Federal government, or an associate or baccalaureate degree;

2.       A secondary school diploma or its equivalent;

3.       Employment; or

4.       Measurable skill gains toward a credential described in paragraphs 1 and 2 of this section or employment.

To be eligible for training services, the local area or the Comprehensive Case Management and Employment Program (CCMEP) lead agency must determine whether adult, dislocated worker, in-school or out-of-school youth participants are appropriate for training services.  Determination of appropriateness should be done by completion of an interview, evaluation or assessment, and career planning.  Assessment may include, among other things;

1.       A combination of standardized tests;

2.       Inventory of participant's interests, skills assessment, career exploration, and

3.       Available labor market information.

Training services must be provided in a manner which maximizes informed consumer choice in selecting an eligible provider. When participants and local areas select an eligible training provider, they should consider providers who are eligible for financial aid to ensure best utilization of Workforce Innovation and Opportunity Act (WIOA) funds.

**IV.       Definitions**

Comprehensive Case Management and Employment Program (CCMEP):  An integrated intervention program that combines the Temporary Assistance for Needy Families (TANF) program and WIOA Youth program to provide employment and training services to individuals ages 14 through 24 years.

Eligible training provider: An entity that receives funding for training services through an ITA; must be included on the State list of eligible training providers and programs; must provide a program of training services; and must be one of the following entities:

1.       Institution of higher education that provides a program which leads to a recognized postsecondary credential;

2.       Entity that carries out programs registered under the National Apprenticeship Act (29 U.S.C. 50 et seq.); or

3.       Other public or private provider of training services, which may include:

a.       Community-based organizations;

b.       Joint labor-management organizations; and

c.       Eligible providers of adult education and literacy activities under Title II of WIOA if such activities are provided in combination with training services described in 20 C.F.R. 680.350.

In-demand occupation: As determined by the State or local board, 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.

In-Schools Youth: Typically, in-school youth are attending a secondary or post-secondary education.

Lead agency:  The local participating agency designated under section 5116.22 or the Revised Code to serve for a fiscal biennial period, or part thereof, as a county's lead agency for the purpose of CCEMP.

Out-of-School Youth: Generally, out-of-school youth are not currently enrolled in secondary education (including alternative schools) or post-secondary education. They may have dropped out of school, may or may not have a G.E.D., or could have graduated and still be basic skills, work readiness skills or occupational skills deficient.

Planning region: A region comprised of two or more local areas that are collectively aligned with the region.

Pre-apprenticeship program: Programs or sets of strategies designed to prepare individuals to enter and succeed in Registered Apprenticeship programs and have documented partnership with at least one, if not more, Registered Apprenticeship programs.

Recognized postsecondary credential: A credential consisting of an industry recognized certificate or certification, a certificate of completion of an apprenticeship, a license recognized by the State involved or Federal Government, or an associate or baccalaureate degree.

Registered apprenticeship program: A program meeting Federal and State standards of job preparation that combines paid on-the-job training and related instruction to progressively increase workers’ skill levels and wages.

4.       Other locally defined considerations

A comprehensive assessment of the cost of the ITA, which involves accessing other grants or funding, including Federal Pell Grants, Trade Adjustment Assistance (TAA), and scholarships, must be conducted to ensure best utilization of WIOA funds. The local area should utilize all financial aid resources available to minimize any out-of-pocket expense to the participant. The local ITA policy should not be so limited that a participant cannot be served because the training in an in-demand occupation exceeds the maximum ITA funding limit.

Local WDBs may implement evaluation and performance requirements for those training providers and programs, which the State and/or local area has approved to be on the statewide Eligible Training Provider (ETP) list contained on WIET. Local WDBs may review the performance of a provider to determine whether the training provider meets established local program and cost requirements. If a training provider does not meet the performance requirements, local areas may choose not to use the provider. Criteria to be considered for evaluation may include, but is not limited to, ability to accept financial aid and grants, availability of student support, graduation rates, placement rates, and wage rates of the graduates from the institution.

**V. Policy Letter Implementation**

**A.       Individual Training Accounts**

Eligibility information, combined with assessment information, help determine the need for training assistance. Additionally, local areas or CCMEP lead agencies must review family self-sufficiency if the ITA is provided to an adult participant age 18-24, in-school or out-of-school youth participant.  WIOAPL No. 15-09.1, Training Services for Adults and Dislocated Workers, WIOAPL No. 15-10, Youth Program Services, and WIOAPL 17-04, Waivers for Implementation of CCMEP, provide further direction for determining appropriateness for training services for adults, dislocated workers, and in-school/ out-of–school youth.  Limits to training services may be based on the needs of the adult, dislocated worker, or in-school/out-of-school youth and identified in the individual employment plan or the individual service strategy, such as the participant’s occupational choice or goal and the level of training to succeed in that goal.

Training services for adults, dislocated workers, and in-school/out-of-school youth are typically provided by training providers who receive payment for their services through an ITA.  An ITA is a key tool used in the delivery of training services and is one of the primary methods through which training is financed and provided. ITAs are established on behalf of the WIOA participant to purchase a program of training services from eligible providers selected in consultation with the case manager. Additionally, the cost of training, time commitment of the participant, fees and books, tuition, and other associated costs should be considered when conducting a cost benefit analysis for the ITA.

Per WIOAPL No. 15-09.1, WIOAPL No. 15-10, and rule 5101:14-1-02 of the Administrative Code, training services for which ITAs are used shall only be delivered by providers who have met the eligibility criteria and are listed on the Workforce Inventory of Education and Training (WIET) pursuant to section 122 of WIOA.

Training services under ITAs must be provided in a manner that maximizes informed customer choice in selecting an eligible training provider.  Workforce Development Board 16 (WDB16), through the American Job Center, OhioMeansJobs centers in WDA16, must make available to job seekers the State list of eligible training providers.  WDB16 may also coordinate funding for ITAs with funding from other Federal, State, local, or private job training programs or sources to assist the individual in obtaining training services.  Priority consideration must be given to training programs that lead to recognized postsecondary credentials that are aligned with in-demand industry sectors or occupations in the local area.

**B.       Registered Apprenticeship Programs and Individual Training Accounts**

Registered apprenticeship is a proven model of job preparation that combines paid on-the-job training (OJT) with related instruction to progressively increase a workers’ skill levels and wages.  Registered apprenticeship is also a proven business-driven model that provides an effective way for employers to recruit, train, and retain highly skilled workers.  Graduates of registered apprenticeship programs receive nationally-recognized, portable credentials, and in some instances their training may be applied toward further postsecondary education.

Only registered apprenticeship programs that have been approved by the Ohio Department of Job and Family Services (ODJFS) as recognized State apprenticeship programs, will be permitted to enter into ITAs with local areas to fund the educational portion of the registered apprenticeship for eligible apprentices.  ITAs may also be used to finance pre-apprenticeship training in preparation for the formal registered apprenticeship training if the pre-apprenticeship program provider has been approved as an Ohio eligible training provider and listed on WIET per WIOAPL No. 16-02, Eligible Training Providers.

All registered apprenticeship programs approved by ODJFS are automatically approved as eligible training providers and included on Ohio’s eligible training provider list contained on WIET.

**C.       Considerations for Funding Individual Training Accounts**

1.       Duration of ITAs

The duration of an ITA is determined by a participant’s course of study. Realistic and attainable training plans must be considered. Generally, training is either short-term or long-term. Short-term training is training which is completed in 12 months or less. Short-term training is the preferred method since the goal is to attain employment quickly.

Long-term training is training whose length does not exceed 24 months. Four-year degree programs may be funded when the customer can document that he or she is in the last 2 years of the program (e.g., remaining hours are equal to or less than 50 percent of the total credit hours required for the degree) and is in an in-demand occupation.

The duration of training may be extended beyond the 24 month period at the discretion of the program operator.  **Justification** **for** extensions and waivers must be documented and maintained in the participant file.

For the Registered Apprenticeship program, the length of training and the skills and competencies required for mastery of an occupation are set by industry.  Traditional registered apprenticeship programs are time-based and require a specific number of hours of OJT and related instruction.  Because of all the benefits of a registered apprenticeship program, including an established career pathway and simultaneous employment, the classroom training portion of the Registered Apprenticeship programs may be up to 4 years in length. For this program, the local areas may fund the full length of the training.

 There may be instances where a participant is unable to complete the training program within the time frame outlined in the ITA, and the ITA may be extended. While determinations have to be based on the factual circumstances of each case, some instances when more time may be warranted include, but are not limited to, those directly related to:

a.       A participant's military service or military-related leave time;

b.       Lack of availability of classes;

c.       Cancellations of classes; or

d.       Unforeseen illness (of the participant or an immediate family member of the participant).

For the purposes of this policy, immediate family members include the participant’s parents (including step-parents), spouse, domestic partner, and children (including step-children or children who the participant has been awarded custody of through a court).

2.       Funding ITAs

The cost for ITAs are determined by the average cost of training for specific in-demand occupations within the local area as well as the following criteria:

a.       Whether the training investment is in line with the future expected earnings of the participant;

b.       Whether the training is being provided as part of the registered apprenticeship program; and

c.       Consideration of the full cost of participating in training services, including costs for fees and books, tuition and other associated costs.

An adult, dislocated worker, or out-of-school youth participant may select training that costs more than the maximum amount available for ITAs when other sources of funds are available to supplement the ITA.

3.       Allowable Individual Training Account Costs

ITA expenditures are costs required by the training institution to complete the training.  ITA costs required to complete the training may include, but are not limited to:

a.       Tuition and fees;

b.       Books;

c.       Tools;

d.       Uniforms;

e.       Tests; and

f.        Medical immunizations/tests.

ITA costs do not include any supportive services' costs related to the ITA (e.g. transportation or child care).

4. Limits on WDA16 ITA Funding

WDB16 has determined the following annual limits on ITA funding:

1. General ITA funding limit $6,000
2. Specialized Training approval funding limits:
   * + 1. Dual Credentialing $10,000
       2. Welding Basics and Advanced $12,500
       3. Advanced Welding $8,000 (stand-alone program)
       4. Combined CDL, Heavy Equipment and Oil Field Safety $12,500

The $6,000 ITA limit per year may be waived based on the Program Operator’s approval.

**Justification for** extensions and waivers must be documented and maintained in the participant file.

For programs that have a waiting list, WIOA and CCMEP applicants will be reviewed to determine when to enroll individuals. This would require obtaining information from the training provider to determine when the best time would be to begin the training program.

Program Operators have the discretion to determine when WIOA or CCMEP assistance can be provided to a participant for prerequisite classes prior to the participant beginning the actual training program.

It is the intent of the WIOA and CCMEP programs not to pay for any repeat classes previously paid for through the ITA. This includes books, supplies, testing, travel, etc, or any supportive services, as related to the class. Payment of repeat classes or supportive service for repeat class (s) will be at the discretion of the Program Operator, and documented and maintained in the participant file.

WDB16 may also allow for additional ITA funding limits for those enrolled in a registered apprenticeship program.  Additional federal funding for registered apprenticeship programs is available through several federal agencies to support business investments in apprentices and to assist educators and intermediaries in strengthening the tie between training and employment through registered apprenticeship.  The Department of Labor’s Training and Employment Guidance Letter No. 13-16 provides websites for several registered apprenticeship

**D.       In-Demand Occupations**

To receive an ITA, a participant must select a training program that is directly linked to employment that is in high demand.

1.       State In-Demand Occupations (85 Percent)

“In-demand" occupations were chosen using various industry- and occupation-focused measures. These measures include: projected openings; projected growth; select JobsOhio industry cluster occupations; and historic job posting data. The list of in-demand occupations will be validated or further enhanced using business data from the online Workforce Information Exchange job forecasts monthly.

Each program year, at least 85 percent of new ITA enrollments for the local area must be in an "in-demand" occupation as defined by the state of Ohio. Participants who have a current program year training service start date and whose ITA will carry into the next program year, will not be counted in the next program year’s percentage.

The latest list of Ohio In-Demand occupations can be found at: [http://jfs.ohio.gov/​owd/​OMJResources/​In-DemandOccupations.stm](http://jfs.ohio.gov/owd/OMJResources/In-DemandOccupations.stm).

2.       Local Area In-Demand Occupations (15 Percent)

The remaining 15 percent of ITA enrollments for the local area may be for occupations defined as in-demand within the local area. Some examples of local area in-demand occupations may include, but are not limited to:

a.       A local in-demand occupation in a geographic area to which the participant is willing to work or relocate;

b.       Employment associated with a regional industry sector or career pathway consortium for workforce development;

c.       A written guarantee of a bona fide job upon completion of training.

Appropriate documentation must be maintained in the case files. ODJFS will review adherence to this policy and the federal law during comprehensive monitoring visits.

**VI.** **Waiver Request**

Each program year, at least 85 percent of new ITA enrollments for the local area must be in “in-demand” occupations as defined by the State.  The remaining 15 percent of ITA enrollments for the local area may be for occupations defined as “in-demand” for the local area.

In situations where the local area may exceed the 15 percent enrollment requirement for local “in-demand” occupations, the local WDBs may request a waiver to exceed this requirement. Waivers will be approved on a case by case basis. The waiver template must be completed providing the appropriate justification for the waiver and submitted to [WIOAQNA@JFS.OHIO.GOV](mailto:WIOAQNA@JFS.OHIO.GOV).  The subject of the email should read, "ITA Waiver Request."

**VII.     Reporting Requirements**

Pursuant to rule 5101:9-30-04 of the Administrative Code, the local board shall ensure, within 30 days, accurate reporting of WIOA participants, activities, case management, and performance information by using the Ohio Workforce Case Management System (OWCMS).

**VIII.    Monitoring**

The local area will conduct oversight of the implementation of the WIOA programs to ensure that participants are enrolled in the programs and have been provided identified services.

Through the state’s monitoring system, program monitors will review the local area’s implementation of the WIOA programs, including a participant file review, during the annual onsite monitoring review for compliance with federal and state laws and regulations.  Any issues will be handled through the state’s monitoring resolution process. END