



**To:** Indiana's Workforce System

**From:** Indiana Department of Workforce Development

**Date:** December 7, 2017

**Subject:** DWD Policy 2017-09  
Guidance Related to WIOA Individual Training Account Funding

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## Purpose

The purpose of this policy is to create a uniform process for issuing individual training accounts (ITAs), identify the parameters for development of a local area ITA policy, and to standardize the delivery of ITAs in order to allow local areas to consistently provide training opportunities to participants leading to employment for an in-demand occupation under the Workforce Innovation and Opportunity Act (WIOA).

## References

- Workforce Innovation and Opportunity Act, Pub. L. 113-128
- 20 C.F.R. Parts 680 et al.
- 29 U.S.C. 3101 et seq.

## Definitions

**In-Demand Occupation:** Indiana utilizes a scoring formula to rate occupations for both short-term and long-term outlooks to determine if the occupation is an in-demand occupation in a particular region. The formula takes into account the following job characteristics: total job openings, growth openings, percentage change, and real-time online job postings, labor market information, and wages.

The final score results in a rating of one (1) through five (5) for each occupation, one (1) being least in-demand and five (5) being highly in-demand. A training program must lead to an occupation rated as a three or more in a region in order to be considered "in-demand" and eligible for WIOA funding. The demand ratings will be updated periodically to reflect emerging in-demand occupations. Additionally, participants must verify with their local workforce development board (WDB) that an occupation is in-demand.

**Alternative Reimbursement Structure Agreement<sup>1</sup>:** An alternative reimbursement structure agreement may be used by the local WDB for training services. The local WDB must have agreement from the training provider prior to the issuance of an ITA voucher containing these terms. Alternative reimbursement structures will vary. One example would be when a local WDB enters into an agreement with the training provider in which it is agreed upon that the training provider will receive 70% of the training cost upon receipt the student attended the first day of class and the remaining 30% upon student completion. There should be very clear parameters around this type of agreement, such as who will be responsible for documenting attendance on the first day of class and how completion is defined.

## Content

### *Background*

An ITA is one of the primary methods through which training is financed and provided for WIOA participants. Other methods may include contracts for services, as identified in 20 CFR 680.320(a). ITAs are established on behalf of the WIOA participant to purchase a program of training services from a provider on the Eligible Training Providers List (ETPL)<sup>2</sup> selected in consultation with the case manager. Indiana's eligible training provider list can be found on the INTraining website (<https://webapps.dwd.in.gov/INTraining>).

Program of training services are defined as a structured regimen leading to:

- Recognized post-secondary credentials; or
- Secondary school diploma or its equivalent; or
- Employment; or
- Measurable skill gains toward credentials or employment

To be eligible for training services, the local area must determine whether or not training services are appropriate for WIOA participants. Determination of appropriateness must be done by completion of an interview, evaluation or assessment, and career planning.

Assessment may include, among other things:

- A combination of standardized tests
- Inventory of participants' interests
- Skills assessment
- Career exploration
- Alignment with available labor market information

Additional Factors a local WDB may consider when issuing an ITA:

- Availability of Training (Dates, Location, etc.)
- The cost of training
- Time commitment of the participant
- Fees and book costs

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<sup>1</sup> WorkINdiana programs designated by the state will be subject to a 70/30 alternative reimbursement structure. No separate agreement will be required.

<sup>2</sup> Please see DWD Policy 2017-01, *Eligible Training Provider List Eligibility and Establishment under the Workforce Innovation and Opportunity Act* for more information.

- Tuition
- Other associated costs

### ***Local ITA Policy***

Each local WDB is required to develop an ITA policy that must include, but is not limited to, the following criteria:

- Maximum Duration of an ITA
- Maximum funding for training financed through ITAs
- Coordination of Funding
- Reimbursement Payment Structure
- Allowable costs to complete training financed through ITAs
- Other reasonably defined local considerations

#### Maximum Duration of an ITA

Local WDBs may impose limits on ITAs, such as limitations on the duration. Durational limitations established by the Local WDBs must be described in the Local Plan. Durational limitations 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 a training provider. Exceptions to ITA limitations may be provided for individual cases and must be described in the Local WDB policies.

#### Maximum Funding for Training

Local WDBs may establish a range of amounts and/or a maximum amount applicable to all ITAs. Funding limitations established by the Local WDB must be described in the Local Plan. Funding limitations 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 a training provider. Exceptions to ITA limitations may be provided for individual cases and must be described in the Local WDB policies.

#### Coordination of Funding

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. WIOA funds are not the payer of last resort. Once it is determined that a participant is eligible for training services, case managers must take into account the full cost of training based on the participant's needs (tuition, books, daycare, housing, transportation, etc.) and also consider the full availability of financial assistance for the participant. Case managers are required to coordinate all funding sources available to meet the participant's needs. The coordination of funding requirement will be met by completing the Financial Award Analysis (Attachment A) for each participant. The Financial Award Analysis shall be uploaded into Indiana Career Connect (ICC). It should also be clearly indicated on the ITA voucher which funding sources are expected to be used to fund the training pursuant to the financial award analysis. For example, if the total training cost is \$7,000 and it is determined that the ITA voucher will cover \$2,000 of the cost and the expected Pell grant will cover \$5,000 of the cost, this should be indicated on the voucher in the "voucher comments" or wherever is most appropriate.

- **Note on Pell Grants:** WIOA funding for training is limited to participants who are unable to obtain grant assistance from other sources to pay the costs of their training *OR* require assistance beyond that available under grant assistance from other sources to pay the costs of such training. If a program is potentially eligible for a federal Pell Grant, the individual intending to enroll must apply for Pell Grant assistance.

#### Alternative Reimbursement Payment Structure

In a typical ITA reimbursement model, a training provider may invoice a local WDB that issued an ITA for the full cost of training once the course drop date has passed and a student remains enrolled in the program. However, an alternative reimbursement payment structure may also be used by the local WDB when funding training services. If a local WDB intends to implement an alternative reimbursement structure in the local area, the local WDB must state in its ITA policy that it intends to do so and also have agreement from the training provider prior to the issuance of an ITA voucher containing the terms. DWD has developed a sample agreement form (Attachment B) to meet this requirement. If the training provider does not agree to the alternative reimbursement payment structure, the training provider will continue to receive 100 percent of the training cost.

#### Allowable ITA Costs

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

- Tuition and fees
- Books
- Tools
- Uniforms
- Tests (Background Check)
- Medical immunizations/tests

ITA costs do not include any supportive services' costs related to the ITA (e.g. transportation or child care). Costs must be reasonable and necessary and must represent a sound investment of public funds.

#### Other Considerations for Inclusion in Local ITA Policies

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 WIOA funds.

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.

#### ***ITA Voucher Content***

Local WDBs will issue vouchers, which the eligible training provider may accept when a student attends the course.

All vouchers issued by a local WDB on behalf of a WIOA participant shall contain the following information:

1. Voucher Identification
2. Voucher Remittance Address
3. Provider of Service
4. Billing Address
5. Attention
6. Vendor Identification
7. Reference Number
8. Service Name
9. Participants Name
10. Student Identification
11. State Identification
12. Program
13. Application Identification
14. Agreement Information
15. Agreement Number
16. Service Code
17. Service Dates
18. Fund Stream
19. Voucher Comments
20. Item
21. Total Support Service-Cost-Fee Based
22. Service Fee
23. Other Costs
24. Total Voucher
25. Voucher Amount
26. Payments to Date
27. Amount Submitted for Payment For Service Provided Between: Start Date, and End Date
28. Providers Authorized Signature
29. Authorized Regional Staff Signature

## **Effective Date**

December 7, 2017

## **Ending Date**

Upon rescission.

## **Contact for Questions**

[policy@dwd.in.gov](mailto:policy@dwd.in.gov)

## **Attachments**

**Attachment A** – Financial Award Analysis

**Attachment B** – Reimbursement Payment Structure Agreement

## Attachment A

### FINANCIAL AWARD ANALYSIS

**TRAINING PROVIDER:** \_\_\_\_\_

|  |                                  |        |
|--|----------------------------------|--------|
| Workforce Innovation and Opportunity Act (WIOA) Participant: | Telephone #:                     |        |
| Training Start Date:   | Training End Date:               |        |
| Name(s)/Type(s) Of Training:                                 | No. of Weeks/Semesters/Quarters: |        |
| Training Provider Contact Person:                            | Telephone #:                     | Fax #: |

| <b>Training Items Cost of Attendance</b> | <b>Fund Assignments (#1-6 Under Funding Sources)</b> | <b>Cost per Week/Semester/Quarter</b> | <b>Number of Weeks/Semesters/Quarters</b> | <b>Total Cost of Training Services</b> |
|--|--|---------------------------------------|---|--|
| Application/Registration                 |  |                                       |   |  |
| Tuition                                  |  |                                       |   |  |
| Books/Supplies                           |  |                                       |   |  |
| Shop/Clinic/Lab Fees/Uniforms            |  |                                       |   |  |
| Physicals                                |  |                                       |   |  |
| Licenses/Permits                         |  |                                       |   |  |
| Parking Fees                             |  |                                       |   |  |
| Student Activity Fees                    |  |                                       |   |  |
| Transportation                           |  |                                       |   |  |
| Child Care Cost                          |  |                                       |   |  |
| Other Required Cost (specify)            |  |                                       |   |  |
| Other Required Cost (specify)            |  |                                       |   |  |
| <b>Total Projected Cost of Training</b>  |  |                                       |   |  |

| <b>Available Funding Sources</b><br><i>(Documentation must be attached)</i>                          | <b>Aid Per Semester or Quarter</b> | <b>Number Of Weeks/Semesters/Quarters</b> | <b>Total Available Resources</b> |
|--|------------------------------------|---|----------------------------------|
| <b>1. Federal Pell Grant</b> <i>(attach Student Aid Report, etc.)</i>                                |                                    |   |                                  |
| <b>2. Scholarships/Grants/Other Financial Aid</b><br><i>(attach applicable award/denial letters)</i> |                                    |   |                                  |
| <b>3. Other Partner Sources</b> <i>(specify)</i>   |                                    |   |                                  |
| <b>4. Vocational Rehabilitation/Social Services</b>  |                                    |   |                                  |
| <b>5. Total Non-WIOA Available Resources</b>   |                                    |   |                                  |
| <b>6. Needed/Requested WIOA Training Resources</b>   |                                    |   |                                  |
| <b>7. Additional Resources Needed</b><br><i>(normally this should be a zero balance)</i>             |                                    |   |                                  |

## **Attachment B**

### **SAMPLE MEMORANDUM OF UNDERSTANDING**

This agreement is made and entered into by and between Local Workforce Development Board, hereinafter referred to as the (WDB) and the Training Provider known as \_\_\_\_\_, hereinafter referred to as the (Provider): and

**WHEREAS:** the United States Congress has established the Workforce Innovation and Opportunity Act (WIOA) and requires the WDB to provide policy guidance and oversight with respect to Workforce Development activities such as who may receive payment of Individual Training Account federal funds

**NOW, THEREFORE, BE IT RESOLVED** that the following agreement between the WDB and the above mentioned training provider shall, when signed, constitute a proper and valid agreement between the two parties for the purposes of 70/30 Reimbursement Structure.

#### **Responsibilities of the Local Workforce Development Board**

The Local Workforce Development Board will:

1. Enter into a Reimbursement payment Structure for training services;
  - a. A 70/30 reimbursement structure occurs when 70% of the training costs are payable when the participant attends the first day of class. The remaining 30% is payable upon participant's completion of the course. The first day of class requirement shall be met when the student returns the signed attendance form to his/her case manager. The case manager will provide the attendance form to the student. Completion is defined as meeting all program requirements for completion.
2. Provide written documentation of approved Individual Training Accounts voucher;
3. Provide payment for the approved Individual Training Account voucher when submitted by a currently eligible training provider.

#### **Responsibilities of the Training Provider**

The above mentioned Training Provider will:

1. Accept a Reimbursement Payment Structure for training services;
  - a. A 70/30 reimbursement structure occurs when 70% of the training costs are payable when the participant attends the first day of class. The remaining 30% is payable upon participant completion of the course.

As this agreement indicates an accord exists between the Provider and the WDB, and disagreements between the parties affecting this agreement shall be resolved by mutually satisfactory negotiations. This agreement shall be in effect until it is replaced by mutual agreement of both parties or cancelled by either party.

We, the undersigned, an authorized representative of \_\_\_\_\_, (Training Provider) and the Executive Director of the WDB, enter into this agreement on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.



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(Signature)

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(Printed Name)

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(Name of Training Provider)

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(Provider's Phone Number)  
Number)

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(Signature)

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(Printed Name)

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(Local Workforce Development Board)

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(Local Workforce Development Board Phone  
Number)