

**SOP 23-01**  
**WIOA Individual Training Account Funding**  
**Standard Operating Procedures**  
**Grow Southwest Indiana Region 11**  
**WDB Approval Date: 01/26/2018**  
**WDB Approval Date: 2/24/2023**

**Purpose**

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.

**Rescission**

SOP 23-01 WIOA Individual Training Account Funding replaces SOP 18-01 Individual Training Account Funding, WDB approval Date: 01/26/2018; Revised 09/28/12; Revised 09/27/2013

**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.

**Action**

DWD Policy 2017-09 Guidance Related to WIOA Individual Training Account Funding will be implemented in Region 11 SOP Policy 23-01.

## ***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 considers 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 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:** 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 structure 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.

Note: Former WorkINDiana and current Workforce Ready Grants (WRG) programs designated by the state will be subject to a 70/30 alternative reimbursement structure. No separate agreement will be required.

## **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 20 CFR 680.320(a). ITAs are established on behalf of the WIOA participant to purchase a program of training service from a provider on the Eligible Training Providers List (ETPL) selected in consultation with the case manager. Indiana’s eligible training provider list can be found on the INTraining website <https://www.in.gov/dwd/career-training-adult-ed/intraining/>

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

- Recognized post-secondary credentials, or
- Secondary school diplomas or its equivalent, or
- Employment, or
- Measurable skills gains toward credentials or employment

To be eligible for training services, the local area must determine the appropriateness of training services 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 assessments
- 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.)
- Cost of training
- Time commitment of the participants
- Fees and book costs
- 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**

Per DWD Policy 2017-09, the local WDBs may impose limits on ITAs, such as limitations on the duration and 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 maximized customer choice in the selection of a training provider. In Region 11, the duration of the ITA will not be more than one year, not to exceed the end of the

program year. Financial Award Analysis (FAAs) will be utilized. FAAs replace the previous Educational Cost Agreements (ECAs)

Exceptions to ITA limitations may be provided for individual cases and must be described in the Local WDB policies. In Region 11, exceptions to the ITA duration limit may be granted by the appropriate WDB staff following a written request and justification by the WorkOne staff and approval of the request.

### **Maximum Funding for Training**

Per DWD Policy 2017-09, the local WDBs may establish a range of amounts and/or a maximum amount applicable to all ITAs and must be described in the Local Plan. Funding limitation 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. In Region 11, each customer can be awarded up to \$4500 for an ITA per program year.

Exceptions to ITA limitations may be provided for individual cases and must be described in the Local WDB policies. In Region 11, exceptions to the maximum funding limit may be granted by the appropriate WDB staff following a written request and justification by the WorkOne staff and approval of the request.

### **Coordination of Funding**

As WIOA funds are the payer of last resort, a comprehensive assessment of the cost of the ITA that 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. 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 for each participant; the Financial Award Analysis will be uploaded into Indiana Career Connect (ICC). It will also be clearly indicated on the FAA 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 \$7,000.00 and it is determined that the ITA voucher will cover \$2,000.00 of the cost and the expected Pell grant will cover \$5,000.00 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 will be provided in a manner that 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 will not be so limited that a participant cannot be served because the training in an in-demand occupation exceeds the maximum ITA funding limit.

WIOA Title I participant may only enter training when:

- Found to be unlikely or unable to obtain or retain employment that leads to economic self-sufficiency without training
- Found to have the skills and qualifications to successfully participate in the selected program of training services
- Determined to be eligible in accordance with the priority system in effect.

WIOA Title I Section 134(c)(3)(E) requires priority of service be given to:

1. Recipients of public assistance
2. Other low income individuals defined as:
  - Former (defined as in the past six months) or current TANF, SNAP, SSI, or state or local income-based public assistance
  - In a family with total family income that does not exceed the higher of the poverty line or 70% of the lower living standard income level
  - Homeless individual
  - Individual with a disability whose own income meets the income requirements above, but who is a member of a family whose income does not meet this requirement
3. Individuals who are basic skills deficient defined as:
  - No high school diplomas or equivalency and not enrolled in secondary education
  - Score 8.9 or below on the TABE
  - Enrolled in Title II Adult Education (including enrollment for ESL)
  - Have poor English language skills
  - Are WorkINDiana eligible
  - The case manager makes observations of deficient functioning and records those observations as justification in a case note.

for receipt of career services...and training services.

As described in the Act, WIOA increases access to and opportunities for employment, education, training, and support services that individuals need, “particularly those with barriers to employment.” Although USDOL has not yet defined these barriers, DWD provides the following to identify “most in need”:

- Poor work history [having worked full-time (32 hours per week or more) no more than thirteen consecutive weeks in the past 12 calendar months for the same employer].
- Lack of work experience (having not worked more than six months in unsubsidized employment within the past ten years.)
- Lack of educational or occupational skill attainment (see #3 above). For occupational skill attainment, DWD will extract the number of participants lacking occupational skill attainment from the responses to “highest grade completed.”
- Dislocation from High Wage and High Benefit Employment (Dislocated Workers are not a part of Priority of Service and do not need to establish a barrier as Adults do).
- Low levels of literacy or English Proficiency (see above)
- Disability
- Homelessness
- Ex-offender
- Welfare dependency

For Region 11:

Dislocated Workers will show an inability to locate employment at or near at wage comparable to wage at dislocation.

Adults will show an inability to locate employment and meet one of the following criteria:

1. Economically disadvantaged individual not eligible for TANF or SNAP (food stamps)
2. The working poor (economically disadvantaged and employed)
3. Former (six months) or current TANF recipients
4. Former (six months) or current SNAP (food stamps) recipients
5. Long term unemployed (27 weeks) or poor work history
6. Individual with a physical or mental impairment which is a substantial impediment to employment
7. No high school diploma or HSE
8. Individual with family income below WIOA definitions
9. Individual with a felony which is a substantial barrier to employment

Region 11 will retain the following criteria:

10. Single parent household with dependents who have not graduated from the 12<sup>th</sup> grade
11. Ages between 18-21 or over 54 years of age

As definitions of “most in need” and “participant barriers to employment are further defined by DWD, Region 11 will adjust this list.

In Region 11, the following considerations are included in the local ITA policy:

1. Customers will have a comprehensive assessment and an ISS/IEP developed that includes a job search plan for post-training services.
2. Customers will test at a reading and math level consistent with the requirements for the occupation selected for training.
3. A standardized occupational skills assessment will be given to ensure the customer’s interest, values, and abilities match his/her stated training goal.
4. The customer will be assessed to discover if he/she already has a marketable certification. Training can be obtained for persons who have a credential if that credential is found to be no longer marketable.
5. The customer will complete a self-directed labor market study to learn more about the desired occupation and ensure there is a demand for the occupation in his/her local labor market.
6. Customers will not be asked to seek loans for educational purposes.
7. WIOA dollars cannot be used for remedial training.
8. A GPA of at least a 2.0 on a 4.0 scale must be maintained in order to obligate additional funds.
9. Staff will use the Financial Award Analysis (FAA).
  - A copy of the FAA will be sent to the appropriate WDB staff.
  - FAAs will be signed and dated on or prior to the effective date (first day of class) by the appropriate individuals.
  - These will be uploaded into the case management system.

- If there is a change in the FAA, the FAAA will be modified and sent to the appropriate WDB staff.
- 10. Each customer will sign a release of information to authorize release of financial aid information, results of testing, grades, mid-term reports, and copy of all diplomas, degrees, and credentials.
- 11. Customers will provide attendance sheets at a monthly minimum; more regularly if needed as backup documentation for supportive services.
- 12. If applicable, a copy of the customer's grade report will be placed in the client file and case noted as reviewed by the case manager.
- 13. Inconsistencies in a customer's attendance or failure to abide by the educational institution's policies or procedures will be immediately addressed by the service provider.
- 14. Changes in the customer's status will be reported by the service provider staff to the appropriate WDB staff.
- 15. Billing for reimbursement will occur after the drop and add period has concluded and will be consistent with the requirement of the institution that is usual and customary for other students.
- 16. An educational institution found to be abusing the program shall be examined by the staff submitting a notification in writing to his/her supervisor. Management will make recommendations to the appropriate WDB staff.
- 17. Upon completion, a copy of the credential(s) will be uploaded into the database. A copy of the credential will be sent to the appropriate WDB staff for the purpose of contract monitoring.
- 18. For Adults and Dislocated Workers, no credential incentive payment will be included at this time.

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

Local WDBs will issue vouchers, which the eligible training provider may accept when a student attends the course. These vouchers are generated by the case management system.

All vouchers issues by a local WDB on behalf of a WIOA participants will contain the following:

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. Participant 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. Provider authorized signature
29. Authorized regional staff signature

***Ending Date***

Upon rescission

***Attachment A and B*** Sample Financial Award Analysis and Memorandum of Understanding

***See Financial Award Analysis*** (separate document)

**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> <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>
1. <b>Federal Pell Grant</b> <i>(attach Student Aid Report, etc.)</i>			
2. <b>Scholarships/Grants/Other Financial Aid</b> <i>(attach applicable award/denial letters)</i>			
3. <b>Other Partner Sources</b> <i>(specify)</i>			
4. <b>Vocational Rehabilitation/Social Services</b>			
5. <b>Total Non-WIOA Available Resources</b>			
6. <b>Needed/Requested WIOA Training Resources</b>			
7. <b>Additional Resources Needed</b> <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)