



STATE OF TENNESSEE
DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT
DIVISION OF WORKFORCE SERVICES
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Workforce Services Guidance– American Job Center Individual Training Account Use

Effective Date: May 8, 2017

Duration: Indefinite

Subject:

This guidance explains the procedures and criteria for the utilization of an Individual Training Account (ITA).

Purpose:

This guidance provides instructions and guidance to Local Workforce Development Areas (LWDAs) and WIOA service providers concerning the use and administration of Individual Training Accounts (ITAs). ITAs are used to train for in-demand occupations as identified across the entire State as well as for those specific to a Local Workforce Development Area (LWDA). ITAs are developed following a comprehensive assessment of the customer's need. Local Workforce Development Boards (LWDBs) must have a local policy regarding the use of ITAs.

Scope:

Adult Education (AE), American Job Center (AJC), American Job Center Operator (AJC Operator), American Job Center Access Point (AJC Access Point), Chief Local Elected Official (CLEO), Division of Workforce Services (WFS), Local Workforce Development Areas (LWDAs), Local Workforce Development Boards (LWDBs), Office of the Governor, Office of Registered Apprenticeship (RA), Rehabilitation Services (RS), Regional Council (RC), State Workforce Development Board (SWDB), Tennessee Department of Economic and Community Development (TDECD), Tennessee Department of Education (TDOE), Tennessee Department of Human Services (TDHS), Tennessee Department of Labor and Workforce Development (TDLWD), Tennessee Eligible Training Providers (TTPLs), Workforce Innovation and Opportunity Act (WIOA), Workforce System Subrecipients

(Subrecipients), Workforce System Partners (Partners)

References:

20 CFR 683.510; 20 CFR 680.340(f); WIOA Section 3(5); WIOA Section 107(g)(1)(B); WIOA Section 134(c)(3)(B)(ii); WIOA Section 134(c)(3)(G)

Background:

Individual Training Accounts have previously been used to support the training services of individuals under the Workforce Investment Act (WIA). The Workforce Innovation Opportunity Act (WIOA) provides more flexibility for American Job Center (AJC) staff to issue ITAs for apprenticeship programs. An ITA is used by a participant to access training services from an entity on the State's approved Eligible Training Provider List (ETPL). Under WIOA, priority of service must be provided regardless of the level of funds. WIOA also expands the priority to include individuals who are basic skills deficient, as defined in **WIOA Section 3(5)**. The LWDB may contract training services in some circumstances involving work-based training; some work-based training consists of on-the-job training (OJT), customized training, registered apprenticeship, incumbent worker training, and transitional jobs. In rare circumstances, WIOA also allows a Local Workforce Development Board (LWDB or Local Board) itself to provide the training services if it receives a waiver from the Governor (**WIOA Section 107(g)(1)(B)**). In an instance where a waiver is granted, all WIOA firewall and State conflict of interest policy requirements must be satisfied and strictly adhered to. LWDBs must use WIOA funds for support and other needs of the individual while coordinating funding for ITAs with funding from other Federal, State, local, or private job training programs or resources to assist individuals in obtaining training services.

Who Receives Training Services?

After an interview, evaluation, assessment, or career planning a One-Stop center or One-Stop Partner determines that the participant is:

- 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
- 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 through career services
- To have the skills and qualifications to participate successfully in training services

LWDB Responsibilities:

- A) LWDBs must have a written policy and procedure that may include, but is not limited to the following:
 - 1) ITAs are restricted to programs that address the skills needed for occupations in demand (**20 CFR 680.340(f)**)

- 2) ITA cap and duration
 - 3) Priority of services
 - 4) Post-secondary education providers must release a participant's financial aid information
 - 5) Participants must have access to the list of Eligible Training Providers
 - 6) Staff members authorizing ITAs must be identified
 - 7) Full ITA payment for entire programs beyond each training period are not allowed unless the institutions have a refund policy requiring that this will be paid in full
 - 8) ITAs are to pay for the full cost of training (e.g., books, license fees, training materials, registration fees, supplies, uniforms) that the financial institution does not cover
 - 9) Participant's choice for a training provider must be observed
- B) Tennessee recognizes limited exceptions to the use of ITAs. Contracts for services may be used instead of an ITA only when one or more of these exceptions apply (**WIOA Section 134(c)(3)(G)(ii)**):
- 1) The services provided are OJT, customized training, incumbent worker training, or transitional jobs;
 - 2) The LWBD determines that there are an insufficient number of Eligible Training Providers in the local area to accomplish the purpose of a system of ITAs;
 - 3) The LWDB determines that in the area there is a training-services program of demonstrated effectiveness offered by a community-based organization or other private organization to serve individuals with barriers to employment;
 - 4) The LWDA determines that the most appropriate training could be provided by an institution of higher education to train multiple individuals for jobs in sector-demanded occupations, provided this does not limit customer choice; or
 - 5) The LWDA is considering entering into a pay-for-performance contract and the LWDA ensures that the contract is consistent with **20 CFR 683.510**

Note: LWDBs must establish criteria to determine the effectiveness demonstrated by a community-based organization or other private organization, particularly as it applies to the special participant population to be served. The criteria may include, but is not limited to, the following:

- A) Financial stability of the organization
- B) Demonstrated performance in measures appropriate to the program
- C) The relevance of the specific program to LWDA needs identified in the local area

A participant may enroll in WIOA-funded training while his/her application for a Pell Grant is pending. This enrollment is permitted as long as the One-Stop operator has made arrangements with the training provider and the WIOA participant regarding allocation of

the Pell Grant, if it is subsequently awarded. In that case, the training provider must reimburse the One-Stop Operator all WIOA funds used to underwrite the training for the amount that Pell Grant covers (**WIOA Section 134(c)(3)(B)(ii)**). Reimbursement is not required from the portion of Pell Grant assistance disbursed to the WIOA participant for education-related expenses. Opportunities with the Tennessee Reconnect program should also be considered prior to determining if an ITA is needed.

Contact:

For any questions related to this guidance, please contact Nicholas Bishop - Director of Compliance and Policy for Workforce Services at Nicholas.Bishop@tn.gov

Effective Date: May 8, 2017

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A handwritten signature in blue ink, which appears to read "Sterling van der Spuy", is written over a horizontal line. To the right of the signature, the date "6/29/2017" is handwritten in blue ink.

Sterling van der Spuy, Administrator of Workforce Services