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**GST MICHIGAN WORKS! POLICY 15-18**

**TO:** Chief Executive of Sub-Recipients and Agency Staff

**FROM:** Jody Kerbyson, CEO

**SUBJECT:** Individual Training Account (ITA)

**EFFECTIVE:** October 1, 2015

**PROGRAMS:** Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker and Youth Programs

**REFERENCE:** WIOA Section 134 (c)(G)  
WIOA Section 129 (c) (2) (D)  
Proposed 20 CFR 680.300, 680.320, 680.330  
Proposed 20 CFR 681.550  
WIOA Manual

**BACKGROUND:**

This policy outlines GST Michigan Works (GST) directives for providing Individual Training Accounts (ITAs) for WIOA eligible adult, dislocated worker and youth participants. Using ITA funds, WIOA eligible participants purchase training services from eligible training providers they select in consultation with a GST Career Coach/Case Manager. Participants are expected to utilize information such as skills assessments, labor market information/trends, and training providers' performance, and to take an active role in managing their employment future through the use of ITAs.

**POLICY:**

ITAs are one training option available to eligible and appropriate participants when it is determined by a Career Coach/Case Manager that they will be unlikely or unable to obtain or retain employment that leads to self-sufficiency or higher wages from previous employment through career services alone. An ITA is limited in cost and duration and must result in employment leading to economic self-sufficiency or wages comparable to or higher than wages from previous employment. ITAs are allowed for out-of-school youth ages 18-24 (out-of-school youth ages 16-17 are not eligible for ITAs) per WIOA Section 129(c)(2)(D) and Proposed 20 CFR 681.550.

ITAs are not entitlements and shall be provided to eligible participants on the basis of an individualized assessment of the person's job readiness, employment and training needs, financial, social and supportive needs, labor market demand and potential for successful completion, as documented on the participant's Individual Employment Plan (IEP) or Individual Service Strategy (ISS). Participants choose career training with eligible training providers in consultation with Career Coaches/Case Managers. ITA funding for training is limited to participants who:

- Complete an assessment and an IEP/ISS that identifies the selected training course;
- Are unable to obtain grant assistance from other sources to pay the costs of training or require assistance beyond available grant resources from other sources, such as Pell Grants in order to complete their training goals;
- Select training programs that are directly linked to an in-demand industry sector or occupation or sectors that have a high potential of sustained demand or growth in the local area, or in another area in which the participant is willing to travel or relocate [WIOA Section 134(c)(3)(G)(iii)]; and
- Maintain satisfactory progress/grades throughout the training program.

#### **A. Coordination of WIOA Training Funds and Other Federal Assistance (Proposed 20 CFR680.230)**

WIOA funds are intended to provide training services in instances when there is no grant assistance, or insufficient assistance from other sources such as, but not limited to: Temporary Assistance for Needy Families (TANF); Food Assistance Employment and Training (FAE&T); Title IV Programs such as Federal Pell Grants, Academic Competitiveness Grants, National SMART Grants, Federal Supplemental Educational Opportunity Grants, or Federal Work-Study; GI Bill or other Federal financial aid available to military veterans. Career Coaches/Case Managers must consider and document in the participant file the availability of other sources of grants, *excluding loans*, to pay for training costs so that WIOA funds are used to supplement but not supplant other sources. The use of WIOA funds to make payments towards a personal loan of an otherwise eligible participant is prohibited. However, the mere existence of a federal loan, *regardless of the status*, must not impact ITA eligibility determinations.

#### **B. ITA Authorization**

ITAs must be approved by a WIOA Program Manager prior to issuance. ITAs are authorized only for training programs listed on the Michigan Training Connect (MiTC), as required in WIOA Section 134(c)(F)(iii). Registered Apprenticeship programs automatically qualify to be on the list of eligible training providers as long as the Registered Apprenticeship program remains registered. ITAs may be used for pre-apprenticeship programs however, only pre-apprenticeship programs listed on The MiTC list may be approved. ITAs may be authorized for training programs online if the training program is listed on the MiTC list. ITAs are not authorized for individualized career services such as short-term prevocational training. Short-term prevocational services may include the development of learning skills, communication skills, interviewing skills, punctuality, personal maintenance skills, professional conduct, or other non-occupation-specific topics that are intended to prepare individuals for unsubsidized employment or training.

### **C. ITA Funding Limit**

Each program year GST will establish a training award amount for each participant to be used for training needs and support services based on available funding. WIOA Program Managers, or their designees, have the authority to increase the limit of an ITA based on the participant's need. Documentation of the manager's approval authorizing the ITA increase must be included in case notes and/or file documentation. The maximum ITA limit is not an entitlement. The amount and duration of each participant's ITA award is determined on an individual basis. Funding amounts will take into account the total costs of the selected training program, any other financial assistance available to the participant, and the WIOA funding available to the Adult, Dislocated Worker or Youth Programs. The ITA funding can only include the cost of training services such as instructor salaries and benefits, classroom space, instructional materials, tuition, books, individual materials, supplies, tools, and equipment. An ITA may fund prerequisite training to a vocational training program if it is required by the educational institution.

### **D. ITA Continued Funding**

Continued funding of an ITA is contingent on availability of WIOA funds and on the participant's satisfactory progress in school. Career Coaches/Case Manager will review the participant's training progress quarterly or more frequently depending on the training institution's schedule. An individual's progress will be considered satisfactory upon earning:

- A grade point average that does not fall below 2.0 for two consecutive terms; or
- A grade point average sufficient to graduate from, or receive certification in, the individual's approved area of study; or
- Sufficient credit hours to finish the approved course of study within the timeframe established under the approved training plan.
- In the case of self-paced or ungraded learning programs, satisfactory progress means participating in classes and passing certification examinations within the timeframe established under the approved training plan.

Career Coaches/Case Managers must arrange to receive training progress reports (i.e. transcripts) from participants in adequate time to process the subsequent tuition payment. Career Coaches/Case Managers must develop with participants who are not earning satisfactory progress in their coursework, a service strategy to overcome the barriers impacting progress. WIOA ITA funding may be terminated if participants do not earn satisfactory progress for two (2) or more consecutive school terms (i.e. quarters, semesters, etc.).

### **E. ITA Modifications**

An ITA may be modified to ensure the individual attains their educational goals and subsequent employment. In some circumstances, such as when a program of training is removed from the MiTC, or when extraordinary program expenses develop, the participant and Career Coach/Case Manager must agree on whether to complete the plan of training with the existing provider, seek a similar program, or discontinue training. When a program of training is removed from the state MiTC, WIOA participants in that program can complete their training. Any modifications to the ITA should be documented in case notes and/or ISS.

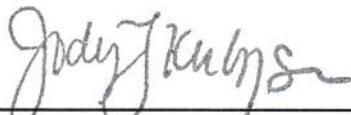
**F. Participant File Documentation**

Justification for, and continued funding of an ITA must be supported by the following documentation located in the participant file and/or in case notes entered in OSMIS:

1. Assessment results supporting the selected program of study. The assessment must support the need for training including a determination by a case manager that the selected training is the best option to lead to self-sufficiency.
2. Completed IEP/ISS documenting the selected program of study, anticipated and actual start/end dates and training outcomes;
3. Eligibility for other training grant funding;
4. Verification of FAFSA application and award status, if applicable. Authorization of the ITA and any approved increase or modification;
5. MiTC Print off /Case note documenting that the training provider is listed on the MiTC;
6. Documentation of the participant's progress and/or grades.

**ACTION:** Sub-recipients and Agency staff shall take the appropriate actions necessary to implement the directives of this policy issuance.

**INQUIRIES:** Questions regarding this policy issuance should be directed to John Anderson 810-233-5974 Ext 159 or JulAnn Kuenzli 989-635-3561 Ext 230.

**SIGNED:**  10-1-15  
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Jody Kerbyson, CEO Date