



## Individual Training Account (ITA) and Contracted Training Policy

Policy Number: P-1002, Rev. 4

Release Date: December 22, 2021

Supersedes: Individual Training Accounts (ITA) Policy & Procedures, effective 10-8-20

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### PURPOSE

This policy communicates WorkForce Central's eligibility and documentation requirements for authorizing WIOA Title I funded training through Individual Training Accounts (ITAs) for individuals enrolled in WIOA Title I Adult and Dislocated Worker programs, and out-of-school youth ages 16-24 enrolled in WIOA Title I Youth (Young Adult) programs, and circumstances when WorkForce Central may contract for training services in lieu of an ITA.

This policy was revised to:

- Align with current Department of Labor (DOL) regulations and Employment Security Department (ESD) policies, and with WorkForce Central's ITA documentation requirements.
- Remove maximum funding limitations for the provision of ITAs.
- Add clarity to the conditions that authorize WorkForce Central to contract for training services instead of using ITAs.
- Updated the policy title to include contracted training.

### BACKGROUND

The provision of WIOA Title I funded training through Individual Training Accounts (ITA) is defined in [20 CFR Subpart C – Individual Training Accounts](#).

WIOA Title I funded training services for qualified individuals are typically provided by eligible training providers who receive payment for their services through an ITA. The ITA is a payment agreement established on behalf of a qualified individual with a training provider. Individuals enrolled in WIOA Title I Adult, Dislocated Worker programs, and eligible out-of-school youth ages 16-24 enrolled in WIOA Title I Youth (Young Adult) programs purchase training services from State eligible training providers they select in consultation with a career planner, which includes discussion of training program quality and performance information on the available eligible training providers.

Payments from ITAs may be made in a variety of ways, including the electronic transfer of funds through financial institutions, vouchers, or other appropriate methods. Payments also may be made incrementally, for example, through payment of a portion of the costs at different points in the training course.

Under limited conditions, as provided in [§ 680.320](#) and WIOA sec. 134(d)(3)(G), WorkForce Central may contract for training services, rather than using an ITA. Circumstances in which WorkForce Central would use contracts instead of an ITA are described in section [M](#). of this policy.

### POLICY

WIOA Title I service providers must comply with this policy and with the ITA and related training documentation requirements prescribed in WorkForce Central's ETO Data Validation and Documentation Policy located at [WorkForce Central's Policy Library](#).

## A. ITA ELIGIBILITY

- a. **Individual Eligibility:** Individuals enrolled in WIOA Title I Adult and Dislocated Worker programs, and out-of-school youth ages 16-24 enrolled in WIOA Title I Youth (Young Adult) programs may be eligible for WIOA Title I funded training through an ITA when the following criteria are met:
- i. Assessment results demonstrate the individual:
    1. 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 alone,
    2. Is 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, and
    3. Has the skills and qualifications to participate successfully in training services.
  - ii. An Individual Employment Plan (IEP) or Individual Service Strategy (ISS) is created in collaboration with the WIOA Title I service provider that identifies the selected training program. The selected training program must align with the individual's documented career goals. The IEP or ISS must include the anticipated and actual start dates of training, training completion date, and credential earned.
  - iii. The individual is determined ineligible for, or there is an absence of, grant assistance from other sources such as Pell grants to pay the costs of training or is determined to be in need of additional assistance beyond available grant resources from other sources in order to complete their training goals.
  - iv. The selected training programs are:
    1. Included on the [Eligible Training Provider List \(ETPL\)](#), and
    2. 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 the planning region or in another area in which the participant is willing to travel or relocate, and
  - v. The individual maintains satisfactory progress/grades throughout the training program.

Documentation for the above criteria must be uploaded into the applicable training service recorded in the individual's ETO record in accordance WorkForce Centrals' ETO Data Validation and Documentation Policy located at [WorkForce Central's Policy Library](#).

- b. **Trainer/Training Program Eligibility:** Trainers and training programs must meet specific eligibility criteria to receive WIOA Title I and other federal and state dollars. Qualified trainers/training programs are posted on the State's [Eligible Training Provider List \(ETPL\)](#). [ESD's Policy 5611, Revision 2, Governor's Procedure for Determining Training Program Eligibility](#) and accompanying [Workforce Innovation and Opportunity Act Title I-B and Washington's Eligible Training Provider List Evaluation Procedures](#) sets forth Washington State's policy and procedures for determining the eligibility of training providers and their programs to receive WIOA Title I funded ITAs. WorkForce Central's role in determining training provider inclusion on the ETPL for local training providers who do not qualify for initial eligibility to the ETPL is detailed in WorkForce Central's Determining Training Provider Eligibility for the Eligible Training Provider List (ETPL) posted to [WorkForce Central's Policy Library](#).

Qualified WIOA Title I program enrolled individuals must select a trainer or training program from the State's ETPL. See [Consumer Choice](#) below for details.

## B. ITA REQUIRED OUTCOMES

WIOA Title I ITAs pay for training programs that are defined as one or more courses or classes, or a structured regiment, that lead to:

- An industry-recognized certificate or certification, a certificate of completion of a registered apprenticeship, a license recognized by the State involved or the Federal government, an associate or baccalaureate degree,
- A secondary school diploma or its equivalent,
- Employment, or
- Measurable skill gains toward a credential.

Courses of study that do not lead to any of the above outcomes are not appropriate for WIOA Title I funded ITAs.

### C. ALLOWABLE ITA FUNDED TRAINING

The following categories of training are authorized for ITAs:

- a. **Occupational Skills Training:** Defined as an organized program of study that provides specific vocational skills that lead to proficiency in performing actual tasks and technical functions required by certain occupational fields at entry intermediate, or advanced levels.

Note: ITAs are not appropriate for skill-building services that do not rise to the level of occupational skills training, including individualized services such as workforce preparation activities or short-term prevocational services. Individualized services may include literacy, internships, work experiences, and other activities that are intended to prepare individuals for work but do not provide formal occupational skills training and do not lead to a credential. Short-term prevocational training 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.

- b. **Entrepreneurial Training:** For the WIOA Title I Adult and Dislocated Worker programs, entrepreneurial training programs are defined as instruction on how to start a business, how to obtain necessary permits and licenses, how to successfully operate and manage a business, and how to write a business plan.

For the WIOA Title Youth program, entrepreneurial training programs are defined as training on the basics of starting and operating a small business which may include taking initiative, identifying business opportunities, developing budgets, forecasting resource needs, understanding options for acquiring capital, and effective communicating and marketing ideas.

Note: Entrepreneurial training programs that do not lead to a degree or recognized certificate are not appropriate for an ITA, and the training program is not required to be on the State's ETPL.

- c. **Registered Apprenticeships:** ITAs can be used to support placing individuals in registered apprenticeships through:

- i. **Pre-apprenticeship training defined in [681.480](#):** A pre-apprenticeship is a program designed to prepare individuals to enter and succeed in a registered apprenticeship program and includes the following elements:

1. Training and curriculum that aligns with the skills needs of employers in the economy of the State or region involved.
2. Access to educational and career counseling and other supportive services, directly, or indirectly.
3. Hands-on, meaningful learning activities that are connected to education and training activities, such as exploring career options, and understanding how the skills acquired through coursework can be applied toward a future career.

4. Opportunities to attain at least one industry-recognized credential.
5. A partnership with one or more registered apprenticeship programs that assists in placing individuals who complete the pre-apprenticeship program in a registered apprenticeship program.

Pre-apprenticeships must be on the [Eligible Training Provider List \(ETPL\)](#) to qualify for WIOA Title I funding.

- d. **Adult Education and Literacy Activities:** WIOA Title I training funds may pay for adult education and literacy activities if the activities are provided concurrently or in combination with one or more of the following training services:
  - Occupational skills training
  - On-the-job training (OJT)
  - Incumbent Worker Training (Employer Reskill/Upskill Training)
  - Programs that combine workplace training and related instruction, which may include cooperative education programs
  - Training programs operated by the private sector
  - Skills upgrading and retraining
  - Entrepreneurial training

#### **D. ALLOWED ITA EXPENSES**

ITA funding can only include the cost of training services such as, but not limited to:

- Instructor salaries and benefits
- Classroom space
- Instructional materials
- Tuition
- Books
- Academic fees
- School supplies
- Educational testing and certification
- Equipment and tools
- Other required items or services that are listed on a school syllabus or other official school documentation
- Prerequisite training to a vocational training program if the prerequisite training is required by the educational institution.

#### **E. COORDINATION WITH OTHER FEDERAL FINANCIAL ASSISTANCE**

WIOA Title I service providers must coordinate to the extent possible with other sources of federal training grants, excluding loans, to pay for training costs so that WIOA Title I funds are used to supplement and not supplant other sources. WIOA Title I funds are intended to provide training services in instances when there is no federal grant assistance (or insufficient assistance) from other sources such as Temporary Assistance for Needy Families (TANF), Basic Food Employment and Training (BFET), Title IV Programs, and state-funded grants to pay for the training costs. Service providers may consider the full cost of participating in training services including the cost of support services and other appropriate expenses.

Excluded from “other federal assistance”:

- a. The use of WIOA Title I funds to pay down a loan of an otherwise eligible individual is prohibited, however, the mere existence of a federal loan, regardless of the status, must not

impact WIOA Title I training eligibility determinations.

- b. As stated in [WIOA Final Rules](#), page 56121 and [TEGL 19-16](#), Department of Veterans Affairs education and training benefit services are not included in the category of “other resources of training grants” listed in [680.230\(b\)](#). Therefore, veterans and eligible spouses are not required to first use any available benefit entitlements associated with their military service before being considered eligible for WIOA Title I funded training, and service providers are not required to consider the availability of those funds.

A qualified individual may enroll into a WIOA Title I funded training program while their application for a Pell Grant is pending if the service provider made arrangements with both the training provider and the student regarding allocation of the Pell Grant, if it is subsequently awarded. In this situation, the training provider must reimburse the service provider the WIOA Title I funds used to underwrite the training for the amount the Pell Grant covers, including any education fees the training provider charged to attend training. Reimbursement is not required for the portion of the Pell grant assistance disbursed directly to the student for education-related expenses.

Service providers must document the availability or absence of other federal grant sources, excluding loans and Department of Veterans Affairs training benefits, to pay for training costs in case notes recorded in the applicable training service touchpoint in ETO.

## F. ITA AUTHORIZATION

ITA authorization is contingent on the following:

- a. **In-Demand Occupation:** The selected training program must align with in-demand industry sector or occupation in the Pierce County area, or in another area to which the individual is willing to commute or relocate, or for occupations determined by WorkForce Central to be in economic sectors that have high potential for sustained demand or growth in the local area. Evidence of the alignment with in-demand occupation/high potential for sustained demand or growth must be uploaded in the applicable training service touchpoint recorded in ETO.

Registered apprenticeship programs are considered “in-demand” even if the labor market information may not list the occupation for which the individual is apprentices as “in-demand” because registered apprenticeship programs, being tied to a specific employer, only enroll individuals when there is employer demand, which makes it possible to carry out the on-the-job aspect of the instruction. ITAs may be used to pay the educational portion (i.e., related instruction component) of the registered apprenticeship for eligible apprentices.

- b. **Consumer Choice; Eligible Training Provider List (ETPL):** Training services, whether under ITAs or under contract, must be provided in a manner that maximizes informed consumer choice in selecting an eligible provider. Each Local Workforce Development Board (WDB), through the one-stop center, must make available to customers the State list of eligible training providers required in WIOA Sec. 122(d). The list includes a description of the programs through which the providers may offer the training services, and the performance and cost information about those providers described in WIOA Sec. 122(d).

Selected training programs must be listed on the [Eligible Training Provider List \(ETPL\)](#), as required in WIOA Sec. 134(c)(F)(iii). An individual who has been determined eligible for training services must select a provider on the ETPL after consultation with a career planner. Unless the WIOA title I program has inadequate or exhausted training funds for the program year, the individual must be referred to the selected provider and establish an ITA to pay for the training.

Priority consideration must be given to programs that lead to a recognized post-secondary credential that are aligned with in-demand industry sectors or occupation in the area.

Evidence of the training provider’s listing on the ETPL must be uploaded in the applicable training service touchpoint recorded in ETO.

**Eligible Training Providers Outside of Pierce County:** An individual may choose training

providers and programs outside of Pierce County provided the training program is on the State's ETPL. An individual may choose eligible training providers and programs offered by an out-of-state provider if the training program is on that state's ETPL and there is agreement between Washington State and the respective state regarding ETP eligibility. As of August 10, 2021, Washington State has agreements with the following states:

- Idaho
- Illinois
- Missouri
- Montana
- Oregon
- Utah

## **G. ITA FUNDING LIMIT**

WorkForce Central does not limit the funding amount for WIOA Title I ITAs. WIOA Title I service providers have discretion to award ITAs in accordance with their internal policies, budget limitations, and WorkForce Central's Individual Training Account (ITA) and Contracted Training policy. Service providers must ensure equitable treatment in the provision of ITAs.

## **H. CONTINUED ITA FUNDING, SATISFACTORY PROGRESS REQUIREMENT**

Continued funding of an ITA is contingent on the availability of WIOA Title I funds and the student's satisfactory progress in school, except for [good cause](#). Service providers must review the student's training progress and expenses quarterly or more frequently depending on the training institution's schedule. A student's training 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 student'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.
- Washington State has established a grade of "C" or higher as having met the academic standard.

Service providers must arrange to receive student's training progress reports (i.e., report cards, transcripts) in adequate time to process the subsequent tuition payment. Progress reports, transcripts, or other training-issued updates must be uploaded into the applicable training service recorded in the ETO record.

Service providers, in collaboration with students, must develop a service strategy to overcome barriers impacting progress for students who are not earning satisfactory progress in their coursework. WIOA Title I 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.)

**Good Cause** – "Good cause" for failure to make satisfactory progress in training includes specific factors that would cause a reasonably prudent person in similar circumstances to fail to make satisfactory progress. Good cause includes, but is not limited to:

- Illness, injury or, disability of the student or a member of the student's immediate family,
- Severe weather conditions or natural disaster precluding safe travel,
- Destruction of the student's records due to a natural disaster or other catastrophe not caused



by the student,

- Acting on advice received from an authority such as the training provider, instructor, or case manager,
- Training is delayed or cancelled,
- Accepting stop-gap employment with hours or other work conditions that conflict with the training, or
- Accepting goal-related employment prior to completion of training.

Service providers must document student's training progress on the ISS or IEP uploaded into ETO or recorded in case notes in ETO. Service providers must also upload and document in case notes applicable measurable skills gains (MSG) and outcomes of training, including credential earned and all other ETO documentation requirements prescribed in Workforce Central's ETO Data Validation and Documentation Policy at [WorkForce Central's Policy Library](#).

## **I. ITA MODIFICATIONS**

An ITA may be modified to ensure the student attains their educational goals and subsequent employment. In some circumstances, such as when a program of training is removed from the ETPL, or when extraordinary program expenses develop, the student and service provider must agree on whether to complete the plan of training with the existing training provider, seek a similar program elsewhere, or discontinue training.

When a program of training is removed from the state ETPL, students in that program may complete their training. However, an ITA should not be modified or extended for an individual beyond the original plan approval as it relates to a program of training that is no longer on the ETPL.

Service providers must use discretion in determining the number of ITA modifications to authorize. Any modifications to the ITA must be documented in case notes recorded in the applicable training service touchpoint in ETO.

## **J. ITA OBLIGATIONS**

To obligate ITA funds, a Purchase Order (PO) may be written for individual's identified to receive an ITA award. The obligation would document a three-way commitment between the participant, the service provider, and the training institution. The service provider has the flexibility to decide when to bill actual expenditures with the training provider. De-obligations must be tracked if students receive additional resources and/or leave the training program prior to completion.

## **K. RECOVERY OF TUITION FUNDS**

In the event a student discontinues training, the service provider must document attempts to recover the WIOA Title I training funds provided to the training institution. Service providers must document the following:

- a. The refund policy of the training provider for early termination from the training program, including when a refund will no longer be honored.
- b. A request of the training provider to notify the service provider if the student discontinues training.
- c. The percentage of the advanced payment to be returned.
- d. Turnaround timeframe for the refund.

Efforts and outcomes to recover WIOA Title I training funds must be documented in case notes recorded in the applicable training service touchpoint in ETO.

## L. DOCUMENTATION REQUIREMENTS

Complete documentation requirements are outlined in Workforce Central's ETO Data Validation and Documentation Policy at [WorkForce Central's Policy Library](#). In general, the following must be uploaded in the applicable training touchpoint recorded in ETO:

- a. Documentation that shows the selected training program will result in employment that leads to self-sufficiency, or wages comparable to or higher than wages from previous employment.
- b. Documentation confirming the training program is in an in-demand industry/occupation or sectors that have a high potential of sustained demand or growth in Pierce County, or in an area that individual is willing to travel or relocate.
- c. Documentation of, or case notes describing, the individual's skills and qualifications that will contribute to their successful completion of the training program and how this information was obtained.
- d. Documentation of the student's eligibility, or absence of, other federal financial assistance.
- e. Completed IEP (Adults and Dislocated Workers) or ISS (out-of-school youth ages 16-24) documenting the selected program of study with start date of training.
- f. ITA authorization and approved modifications, if applicable.
- g. Copy of enrollment record or other documentation validating the date of enrollment into training.
- h. Documentation validating actual start date of training
- i. Progress updates including copies of transcripts, report cards, or other documentation of the student's satisfactory advancement in training.
- j. Measurable skill gains (MSG).
- k. Training outcomes including credentials earned.
- l. Case notes as appropriate.

## M. CONTRACTED TRAINING IN LIEU OF ITAS

Under limited conditions, as provided in [§ 680.320](#) and WIOA sec. 134(d)(3)(G), WorkForce Central may contract for training services, rather than using an ITA. Contracts for services may be used instead of ITAs only when one or more of the following exceptions apply, and the consumer [choice requirements](#) of [680.340](#) are fulfilled:

- On-the-job training (OJT)
- Customized training
- Incumbent Worker Training (Employer Reskill/Upskill)
- Transitional Jobs
- When WorkForce Central determines that there are is an insufficient number of eligible training providers in the local area to accomplish the purpose of a system of ITAs. The determination process must include a public comment period for interested providers of at least 30 days and be described in the Local Plan. The Local Plan must describe the process used in selecting the providers under a contract for services.

When WorkForce Central determines that there is a training program of demonstrated effectiveness offered in the area by a community-based organization or another private organization who serves underrepresented populations including individuals experiencing systemic [barriers to employment](#). WorkForce Central must develop criteria for determining demonstrated effectiveness of the training program, particularly as it applies to the individuals to be served. The criteria may include:

- a. Financial stability of the organization



- b. Demonstrated performance in the delivery of services to individuals experiencing systemic barriers to employment through such means as program completion rate; attainment of the skills, certificates, or degrees the program is designed to provide; placement after training in unsubsidized employment; and retention in employment, and
  - c. How the specific program relates to the workforce investment needs identified in the Local Plan.
- When WorkForce Central determines that it would be most appropriate to contract with an institution of higher education (see WIOA Sec. 3(28)) or other provider of training services to facilitate the training of multiple individuals in in-demand industry sectors or occupations, provided that the contract does not limit consumer choice

In limited circumstances, WorkForce Central may itself provide the training services, but only if it obtains a waiver from the Governor for this purpose.

## REFERENCES

- WIOA Sec. 134(c)(G)
- WIOA Sec. 129(c)(2)(D)
- 20 CFR 680.230; .300; .310(d); .320; .330
- 20 CFR 681.550
- WAC Chapter 192-270
- ESD WIOA Policy 5601, Rev. 2
- ESD WIOA Policy 5611, Rev. 1
- [Directive of the Governor 21-24-Designation of additional WIOA focus populations](#)

## REVISION APPROVED



WFC CEO

Dec 22, 2021

Date

### EQUAL OPPORTUNITY - EQUAL ACCESS

WorkForce Central is an equal opportunity employer/program.  
Auxiliary aids and services are available upon request for individuals with disabilities. Washington Relay Service – 711.