

TEXAS WORKFORCE COMMISSION LETTER

ID/No:	WD 24-14, Change 1
Date:	November 12, 2014
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Effective:	December 12, 2014

To: Local Workforce Development Board Executive Directors
Commission Executive Offices
Integrated Service Area Managers

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From: Reagan Miller, Director, Workforce Development Division

Subject: **Workforce Investment Act: Individual Training Accounts—Update**

PURPOSE:

To provide Local Workforce Development Boards (Boards) with guidance and information on Workforce Investment Act (WIA)–funded Individual Training Accounts (ITAs), specifically:

- WIA funds for training;
- customer choice requirements;
- using ITAs;
- links to targeted occupations;
- ITA limits; and
- exceptions to ITAs.

This updated WD Letter clarifies previous guidance on WIA ITAs in WD Letter 24-14.

CHANGES TO WD LETTER 24-14:

New information in this WD Letter is indicated by:

- A ~~strikethrough~~ of the original language, which indicates that language has been deleted; and
- **Bold** typeface, which indicates new or clarifying language.

BACKGROUND:

WIA provides workforce activities that increase the employment, retention, and earnings of participants. WIA attempts to return adults and dislocated workers to employment as quickly as possible by testing the labor market for suitable employment and providing a sequence of services: core, intensive, and training. Participants are provided only the level of service needed to become employed or return to employment. If participants are unable to secure employment through core or intensive services, training can be the appropriate service to secure employment.

PROCEDURES:

Boards must be aware that an ITA is an account:

NLF

- ~~established on behalf of a WIA adult or dislocated worker participant eligible for training services;~~
- ~~funded with WIA adult or dislocated worker funds; and~~
- ~~used by participants for training services.~~

WIA Funds for Training

Boards must ensure that there are procedures in place to determine and document a participant’s overall need for financial assistance and the use of WIA funds.

NLF

Boards must ensure that WIA funding for training is limited to participants who are unable to obtain sufficient grant assistance from other sources to pay the full costs of training.

NLF

Boards may combine available WIA funds and other sources of financial assistance (e.g., Pell Grants, scholarships, severance pay) as necessary to meet training and support services costs to ensure the participant is financially capable of successfully completing the training program.

LF

Boards must ensure that Workforce Solutions Office staff documents a participant’s:

NLF

- attempt to obtain sufficient grant assistance from other sources to pay the full costs of training;
- need for support services; and
- ability to sustain himself or herself and family during training.

Boards may develop their own documentation forms and processes.

LF

Boards must also ensure that Workforce Solutions Office staff documents this information in The Workforce Information System of Texas (TWIST) *Counselor Notes*.

NLF

Boards must ensure that WIA funds are not used to pay training costs:

NLF

- **for any portion or term of training for which the participant has signed a loan as part of financial aid; or**
- **that were paid by the participant (or other source) prior to WIA program registration.**

For additional information, see the Texas Workforce Commission’s (TWC) Financial Manual for Grants and Contracts, §8.1 General Allowability Criteria, at http://www.twc.state.tx.us/business/fmgc/fmgc_toc.html.

Customer Choice Requirements

Boards must ensure that customer choice in the selection of an eligible training provider and training services is maximized. Boards must ensure that Workforce Solutions Office staff provides customers with:

NLF

- the Statewide List of Eligible Training Providers, with a description of approved programs and information identifying eligible providers; and
- performance and cost information relating to the Eligible Training Providers.

Individual Training Accounts

Boards must be aware that an ITA is:

NLF

- established on behalf of a WIA adult or dislocated worker participant eligible for training services;
- funded with WIA adult or dislocated worker funds; and
- used by participants for training services.

Boards must be aware that WIA requires that training provided to eligible adults and dislocated workers be paid for through the use of ITAs.

NLF

Boards must ensure that ITAs for training services are paid only to training providers on the Statewide List of Eligible Training Providers.

NLF

Boards must ensure that ITAs:

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- ~~are not used to pay for any portion or term of training:~~
 - ~~that has already been paid for in full; or~~
 - ~~for which a student has signed a promissory note for a loan as part of financial aid; and~~
- ~~are not used to pay a student loan.~~

~~Boards must be aware that a portion or term of training is “paid in full” when a student has satisfied all payment requirements of the school so that the student can start the term of training. Payment in full can include, but is not limited to, the following:~~

NLF

~~Pell Grants~~

~~School discounts~~

~~Federal student loans~~

~~Nonfederal student loans~~

~~School scholarships~~

~~Other types of assistance~~

~~For additional information, see the Texas Workforce Commission’s Financial Manual for Grants and Contracts, §8.1 General Allowability Criteria, at http://www.twc.state.tx.us/business/fmge/fmge_toc.html.~~

Links to Targeted Occupations

Boards must ensure that training services funded through ITAs are directly linked to:

NLF

- occupations that are on the Board’s targeted occupations list, or are on the targeted occupations list for another local workforce development area (workforce area) to which an adult or dislocated worker is willing to commute or relocate; or
- occupations that have been determined on a case-by-case basis to have a high potential for sustained demand and growth in the workforce area, based on sufficient and verifiable documentation, in accordance with the Board’s procedures and TWC rule §841.34(b).

ITA Limits

Boards may impose limits on ITAs, such as limitations on dollar amount or duration of an ITA.

LF

If a Board imposes limits on ITAs, it must ensure that the limitations:

NLF

- are established by Board policies¹;
- are described in the Board plan;
- clearly describe what is included in the ITA, e.g., the cost of training, transportation, support services; and
- describe any exceptions to the limitations and the process for requesting an exception.

Boards must be aware that a participant can select training that costs more than the maximum amount available for ITAs under a Board policy if other sources of funds are available to supplement the ITA, e.g., Pell Grants, scholarships, severance pay.

NLF

Exceptions to ITAs

Boards must be aware of the following exceptions to the requirement that training services for eligible WIA adults and dislocated workers be financed through ITAs:

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- On-the-job training and customized training; or
- With prior approval from TWC, as determined by the Board, there is:
 - an insufficient number of Eligible Training Providers in the workforce area to make the ITA system effective; or
 - a training services program of demonstrated effectiveness offered in the workforce area by a community-based or other private organization, which serves special participant populations that face multiple barriers to employment.

¹ As required by TWC rule at 40 TAC §802.1(f) and as detailed in WD Letter 10-07, Board members must take such actions in an open meeting.

Boards must be aware that contracts with institutions of higher education and other training providers that provide for class-sized training are allowable and are not paid for through ITAs.

INQUIRIES:

Direct inquiries regarding this WD Letter to wfpolicy.clarifications@twc.state.tx.us.

RESCISSIONS:

WD Letter 24-14

REFERENCE:

- Workforce Investment Act of 1998 (Public Law 105-220)
- Workforce Investment Act Final Rule, 20 CFR Part 663
- Texas Workforce Commission Workforce Investment Act Rules: 40 TAC, §841
- Texas Workforce Commission Workforce Investment Act Rule: 40 TAC §841.34
- Texas Workforce Commission Financial Manual for Grants and Contracts
- WD Letter 136-99, Change 2, issued August 24, 2000, and entitled “Sequence of Services under the Workforce Investment Act: Addition of Assisted Core Services”
- WD Letter 10-07, issued February 2, 2007, and entitled “Adoption of Local Workforce Development Board Policies in Open Meetings”

FLEXIBILITY RATINGS:

No Local Flexibility (NLF): This rating indicates that Boards must comply with the federal and state laws, rules, policies, and required procedures set forth in this WD Letter and have no local flexibility in determining whether and/or how to comply. All information with an NLF rating is indicated by “must” or “shall.”

Local Flexibility (LF): This rating indicates that Boards have local flexibility in determining whether and/or how to implement guidance or recommended practices set forth in this WD Letter. All information with an LF rating is indicated by “may” or “recommend.”