Kansas Department of Commerce
Workforce Development
Policy and Procedures Manual

Policy Number: 5-09-00

Originating Office: Workforce Development

Subject: Coordinating Individual Training Accounts with Other Sources of Financial Assistance Grants

Issued: October 26, 2016

Program: Workforce Innovation and Opportunity Act (WIOA)

Purpose: To transmit state policy and guidance on the required coordination of Individual Training Accounts with Federal Pell Grants and other sources of financial assistance.

References: WIOA Section 134(c)(3)(B) and 20 CFR Part 680.230.

Background: WIOA requires training funds to be coordinated with Federal Pell Grants and other sources of financial assistance so that WIOA funds supplement other sources of training grants.

Action: All Local Boards must describe their policies for the coordination of WIOA Individual Training Account funds with Federal Pell Grants and other sources of financial assistance in their Local Area Plans.

Contact: Questions should be directed to WIOA Administrator, (785) 296-0607, TTY: 711, email workforcesvcs@ks.gov

Attachment: None.

COORDINATING INDIVIDUAL TRAINING ACCOUNTS WITH OTHER SOURCES OF FINANCIAL ASSISTANCE GRANTS

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COORDINATING INDIVIDUAL TRAINING ACCOUNTS WITH OTHER SOURCES OF FINANCIAL ASSISTANCE GRANTS

Policy Statements

The Local Board must describe its policies for the coordination of ITA funds with Federal Pell Grants and other sources of financial assistance in its Local Area Plan.

Individual Training Accounts

The Individual Training Account (ITA) is a key element of the Workforce Innovation and Opportunity Act (WIOA). Individuals are able to take a proactive role in choosing the training services that meet their needs. They are provided with quality information on providers of training, demand occupations and wages, effective case management, and an ITA as a payment mechanism. These tools enable them to choose the training provider that best serves their individual needs and offers the greatest potential for self-sufficient employment.

Financial Assistance Grants

Financial Assistance Grants include no-repayable awards which may be available to the participant such as Temporary Assistance for Needy Families (TANF), State-funded training funds and Federal Pell Grants as well as other such Federal grants as may be available. Examples of other Federal Grants include, but are not limited to, K-HPOP, H-1B Training, and other awarded competitive grants for which the participant may be eligible.

Grants do not include public or privately guaranteed student loans for which repayment is required.

Coordinating Sources of Financial Assistance

WIOA limits funding for training to individuals who are:

- Unable to obtain grant assistance from other sources to pay the costs of their training; or
- Require assistance beyond available grant assistance from other sources to pay the costs of such training.

WIOA funds may supplement, but not supplant, other training resources. The availability of Federal Pell Grants and other funding sources must be considered in determining need for financial assistance. To the extent practical, all available funds to pay for training and avoid supplanting available resources must be accessed. The exact mix of available fund sources should be determined based on the availability of funding to pay the costs of training and supportive services. This determination should focus on the needs of the participant and satisfy the following three conditions:

1. WIOA funds for training services are limited to instances when there is inadequate or no grant assistance available from other sources.
2. When an individual is eligible for both WIOA and Federal Pell Grants or other financial assistance, a coordination plan must be in place so supplanting payments does not occur.

a. The ultimate objective of coordination is to assist customers in obtaining training services.
b. Language prohibiting supplanting funds is based in OMB regulation and therefore equally applicable across Federal partner funding streams

3. Applying for or using a loan to help finance training costs may not be a condition for participation in a training program funded under WIOA. The participant may incur personal debt to help pay the costs of their training only if they choose to do so after receiving counseling regarding their responsibilities associated with the indebtedness, including loan repayment.

Program operators and training providers must make arrangements with entities administering other financial assistance programs so all resources available to pay training costs are considered. When the agreement is a performance-based contract, the training institution is prohibited from holding the student liable for outstanding charges. Otherwise, the performance agreement might be undercut because there is no incentive for the training institution to perform.

Determining Training-Related Financial Assistance Need

In making determinations of need, the full costs of participating in training service should be considered. This includes the costs of supportive services and other appropriate costs (Cost of Attendance). A preliminary determination of eligibility for a Federal Pell Grant should be made before a WIOA participant enrolls in a particular school or training program. All available sources of funds (excluding loans) should be considered in determining an individual's overall need for WIOA funds. The WIOA representative should work with the participant to calculate the total amount of funding available from all sources and the total amount of training and supportive services costs necessary for the participant to cover the student's education expenses for the total period of enrollment.

WIOA Section 134(c)(3)(B) permits a participant to enroll in training paid by WIOA funds while a Federal Pell Grant application is pending. Withholding a Federal Pell Grant from a student because WIOA has already paid the training expense is prohibited by the U.S. Department of Education. However, the training provider must reimburse the WIOA funds if both funding sources eventually pay the same costs for the participant.

Sequencing the order and determining how WIOA funds will be used should be determined on a case-by-case basis. WIOA does not require Federal Pell Grants or other grant funds or loans to be used for tuition or supportive service costs before WIOA funds are used. However, WIOA does prohibit duplicating payments by WIOA funds and other sources of financial assistance (maintenance of effort) .

An example is as follows:

The individual has a tuition cost of $1,000 and other education related expenses of $2,000. The individual is eligible to receive a $2,000 Federal Pell Grant. Two, of several, options may be possible:

1. WIOA may be used to pay the tuition and the Federal Pell Grant may be used entirely for the ($2,000) other education related expenses.

2. WIOA may pay a portion of the tuition and provide supportive services. The Federal Pell Grant may be used to pay the remainder of the tuition and remaining education related expenses that are not paid under supportive services by WIOA.

The Free Application for Student Financial Aid (FAFSA) is available at all One-Stop centers. The Federal Pell Grant program uses the following figures to calculate eligibility and the amount of assistance:

1. Student reports Expected Family Contribution (EFC) on the FAFSA. This is the amount the student and family are expected to contribute to the student's education. This is based on dependency status, family size, income, assets, expenses, and the number of family members enrolled in undergraduate, post-secondary education or training.

2. Cost of Attendance (COA) is an estimate of a student's education expenses for the total period of enrollment. These expenses include such things as:

    - Tuition and fees;
    - Books and supplies;
    - Room and board;
    - Personal expenses (such as clothing, laundry, and recreation);
    - Transportation; and
    - Miscellaneous expenses (such as childcare and special costs for students who are disabled).

For WIOA purposes, a student's unmet financial need is equal to the Cost of Attendance, minus Federal Pell Grant eligibility, minus financial aid from other sources. The total amount of financial assistance a student may receive must not exceed the unmet financial need.

The calculation is as follows:

	Cost of Attendance
(-) minus	Federal Pell Grant eligibility
(-) minus	Financial aid from other sources
(=) equals	Unmet Financial Need

Coordination with Federal, State, Local or Private Programs

Coordination with other forms of Federal, State, local or private programs or sources to assist the individual in obtaining training serves two objectives:

1. Assure customers receive adequate assistance in obtaining training services
2. Assure Federal funds are not supplanting (duplicating) available resources from other sources

As used in this application the term ‘coordination’ is the process of organizing people or groups so that they work together effectively.

For the purpose of determining what funds are available to pay training and related costs, funds are not available to a customer without some form of commitment or authorization from the funding source or its representative.

When funds have been committed or authorized (available), accounting for and coordination with those resources becomes relatively straightforward.

When a customer is in the process of applying for assistance or awaiting a commitment/authorization, the funds are not available to be accounted for and coordination becomes proactive. WIOA Title programs and One-Stop Partners are expected to engage pending funding sources in discussions to expedite funding decisions; and therefore expedite availability of training services to the customer. Discussions will most likely involve negotiations resulting in identifying items or classifications of training and related cost and how those costs will be sponsored/paid/shared and/or assigned (coordinated) among all available and pending or potential resources to provide holistic service in the best interest of the common customer.

Local Policy Requirements

All Local Boards must develop and maintain a policy and local operating procedures for the coordination of Individual Training Accounts with other sources of financial assistance.

Local policy must include, at a minimum, the following items:

1. Methodology that will be used to determine training-related financial assistance needs.

2. Procedures to assist participants early in the assessment process to establish eligibility for Federal Pell Grants and other sources of financial aid. This includes providing appropriate application forms to participants and any needed assistance in completing and submitting these forms.

3. Procedures to determine and document that, prior to enrollment in training, all available sources of funds (excluding loans) are coordinated to the extent practical to meet training and supportive service costs so the participant can complete the training program successfully.

4. Procedures for entering into the participant's record their training-related financial assistance needs and the mix of all financial assistance available.

5. Procedures and forms that will be used to request the release of a participant's financial aid information from a post-secondary institution.

6. Procedures for determining if the participant has access to sufficient funds from non-WIOA sources when the participant has selected training where the total cost of participating in training exceeds the maximum ITA amount allowed under state or local policy.

7. Language in the ITA that establishes safeguards to ensure that WIOA funds are coordinated with, and supplement, all other funds sources available.

8. Language in the ITA requesting the educational institution's financial aid officer to inform the Local Board of the amounts and disposition of any Federal Pell Grants or other types of financial aid provided to participants. (This should also be part of the continuing information sharing process after the enrollment of the participant.)

9. Assurance that participants are not required to apply for or use a loan as a condition of participating in WIOA funded training. The participant may incur personal debt to help pay the costs of their training only if they choose to do so after receiving counseling regarding their responsibilities associated with the indebtedness, including loan repayment. Such counseling must be acknowledged in the participant's record.

Local Area Plan Requirements

The Local Board must describe its policies for the coordination of ITA funds with Federal Pell Grants and other sources of financial assistance in its Local Area Plan.