

**Chapter 24: Youth
Individual Training Accounts (ITAs) for
Older and Out-of-School Youth**

Issue Date/

Effective Date:

July 7, 2005

Updated: February 1, 2012

Required Action

Action: To provide WSAs with guidance regarding the use of Individual Training Accounts (ITAs) for older youth and out-of-school youth.

Who: All WSAs and youth service providers in the State of Minnesota.

Background: WIA prohibits the use of ITAs for youth participants, with the exception of youth who are over 18 and concurrently enrolled in the WIA Adult program (20 CFR 664.510). Minnesota requested and received a waiver from the Department of Labor to allow the use of ITAs for older youth and out-of-school youth without co-enrollment in the Adult Program. A copy of Minnesota's current waiver is included as Attachment A.

Policies and Procedures:

A description of a WSA's intent to use ITAs for older youth and out-of-school youth, and the structure of the ITA must be included in the Local Youth Plan and approved by DEED prior to implementation. The use of an ITA for an older youth should be in accordance with and noted in the Individual Service Strategy (ISS) developed for a youth. It may be used in instances where a primary focus of the ISS is determined to be the development of skills necessary to help connect the youth with gainful employment. The ITA is not viewed as an alternative to acquiring a high school diploma or GED or other recognized educational credential. These educational based outcomes should continue to be an initial focus for all youth. The LWIB/YC should establish criteria governing use of ITAs. The local policy might include:

- Requirements tying training to demand occupations;
- Providing training for occupations with established career pathways which lead to self-sufficient wage levels;
- Local caps on ITA expenditures and duration of training;
- Any other criteria used LOCALLY

The exact nature of the ITA and for whom it will be used is decided at the local level. The following issues are examples of the types of decisions that should be made by the WSA and described in the local plan:

- Who will be an appropriate candidate for an ITA?
- Who will be required to sign off on an ITA?
- What will be the payment mechanism (e.g. vouchers, electronic fund transfer, consumer "smart cards", or other methods)?
- What processes or procedures will be used to track ITA payments?
- Will the ITA be for a specific amount or time period?
- Will the ITA include anything other than tuition, books, fees and supplies (such as supportive services)?

Certain basic principles must be followed by ALL WSAs in establishing systems for the use of ITAs:

- ITAs can only be used for eligible participants in accordance with WIA youth eligibility policies.
- ITAs can only be used with WIA certified training programs. ITAs can be used with training programs WIA certified by other states.
- A school must be willing to accept ITAs in order to be a WIA certified training program provider.
- An individual must be able to access data on how many dollars are in his/her ITA. (The mechanism for doing this is a local decision.)
- An ITA may include money for supportive services, but this is a local decision.
- An ITA must be part of an Individual Service Strategy that is agreed to by both the participant and counselor/case manager.
- An ITA must be used in conjunction with other applicable funding sources.
- If an ITA and other applicable funding sources do not completely cover the cost of the training, there must be evidence that the participant understands his/her financial responsibility and there is a methodology for meeting these other costs.

Established local policies regarding the use of training providers from the Eligible Training Provider List must also be adhered to. Expenditures and enrollment should also be tracked locally for older youth ITAs. The ITA allows the WSA to more carefully monitor what is being spent on training and training related costs.

DEED monitors will review use of ITAs, including documentation in the ISS and tracking of funds used for ITAs during routine desk reviews and on-site monitoring.

Reference Section:

Cites/References: Workforce Investment Act (WIA) of 1998; Final Rules published in the August 11, 2000 Federal Register.

Contacts:

Kay Tracy (voice: 651/259-7555; fax: 651/215-3842; TTY: 651/296-3900;
email: Kay.Tracy@state.mn.us) or Lynn Douma (voice: 651/259-7536; fax: 651/215-3842;
TTY: 651/296-3900; e-mail: Lynn.Douma@state.mn.us)

Youth website:

http://www.positivelyminnesota.com/All_Programs_Services/Office_of_Youth_Development

Attachments to chapter:

A – Waiver Request – Use of ITAs for Youth

**STATE OF MINNESOTA
WORKFORCE INVESTMENT ACT
WAIVER REQUEST – USE OF ITAs FOR YOUTH**

The Minnesota Department of Employment and Economic Development (DEED) requests that the U.S. Department of Labor grant an extension of its existing waiver to allow older out-of-school youth to take advantage of Individualized Training Accounts (ITAs) without co-enrolling in the WIA Adult program.

1) Specific Statutory/Regulatory Requirement to be Waived:

Minnesota requests the waiver of WIA Final Rule 664.510, which prohibits the use of ITAs for youth participants.

6) State or Local Statutory or Regulatory Barriers:

There are no state or local barriers to implementing the requested waiver.

7) Goals to be Achieved by the Waiver:

The waiver is designed to enhance customer choice, allow older out-of-school youth to benefit from services provided by Minnesota's certified training providers, and expand services without requiring local program operators to register participants in the adult program and track resources separately for each funding stream.

8) Expected Programmatic Outcomes:

Approval of this waiver request will increase efficiency and choices for customers who can potentially benefit from the expanded services offered. Program operators will be able to provide additional services to out-of-school youth who can benefit from them without having to go through the duplicative burden of registering for the adult program. Approval of this waiver would simplify the tracking of funds as program providers would not be required to use and track funds from the adult funding stream for ITAs for eligible youth. The allowable service(s) would remain consistent with established policies for adults. Requiring additional registration adds no value to the program or the customer.

9) Individuals Impacted by the Waiver:

Under this waiver, Individual Training Accounts (ITAs) could be used for older out-of-school youth served with regular WIA Youth funds (ages 18-21). These youth would have access to a broad range of training providers to best meet their personal and professional goals without encountering additional paperwork that would be required if they were co-enrolled in the adult program.

10) Process for Monitoring Implementation of the Waiver and Gathering Input:

Local boards and staffs have been notified of the waiver request and are being given a direct opportunity to comment on this specific waiver. Local areas wishing to implement this waiver are required to state so in their Local WIA Plan, and are required to track funds used for ITAs in the Individual Service Strategies for the affected youth. State staff review the implementation of this waiver during the annual on-site review of WIA youth programs.