

	New Jersey Workforce Innovation Notice		WD-PY25-6
	Issued By:	Workforce Development, Division of Career Services	
	Approved By:	Yolanda Allen, Assistant Commissioner Workforce Development	
	Issued Date:	September 30, 2025	

**SUBJECT:** Individual Training Accounts

**PURPOSE:** This guidance outlines the process involving the funding of Individual Training Accounts.

**EFFECTIVE DATE:** This New Jersey Workforce Innovation Notice is *effective immediately*.

### Policy Overview

#### Purpose

The purpose of this guidance is to provide an overview of Individual Training Accounts (ITAs) and the eligibility of both participants and training providers in accessing ITAs. This guidance recommends setting limit of up to \$7500 per ITA. Local areas have the authority to develop guidance that puts in place processes for approving ITAs above this amount if justified based on the identification of training that aligns with a participant's Individual Employment Plan (IEP) and the standard cost of the training. In addition to this state-level guidance, Local Workforce Development Boards (LWDBs) must establish local policies to guide their local service providers in writing ITA contracts that meet the needs of their local area and align with this state-level guidance.

#### Background

Individual Training Accounts (ITAs) are a primary way that One Stop Centers provide training to eligible participants. ITAs support Title I Training Services. Participants in Title I Adult and Dislocated Worker programs can receive funding through One Stop Career Centers in the form of ITAs to purchase training services from eligible training providers.

Training providers are approved for admission to the New Jersey Eligible Training Provider List (NJ ETPL) through an application process in the NJDOL Intelligrants (IGX) system. The training services must be for a demand occupation established by the NJDOL Labor Demand Occupations List, or for occupations that have been approved by NJDOL for a local/regional demand occupation waiver.

The participant selects the training services in consultation with the case manager through the development of an Individual Employment Plan (IEP) that is based on a comprehensive assessment. The development of an effective ITA occurs through partnership among the participant, case manager or counselor, and training provider to ensure that the training moves the participant along a viable career path that aligns with the education and employment goals established in their IEP.

Participants and counselors/case managers work together to consider and integrate information such as the individual's skills assessments, labor market conditions/trends, and training providers' performance to identify the best training program and partner fit. The provision of ITAs supports participants in taking an active role in managing their employment future. Counselors should assist participants in making informed choices (see Ensuring Consumer Choice in this policy on page X) and Local Workforce Development Boards (LWDBs) should monitor training providers for performance and for practices that set participants up for success.

NJDOL annually publishes the Consumer Report Card of program outcomes for each provider listed on the NJETPL, as part of the online [Training Explorer](https://mycareer.nj.gov/training) tool (<https://mycareer.nj.gov/training>). These include employment and wage outcomes and should be consulted by LWDBs to support their assessment of training providers and program effectiveness.

### Overview of ITA Eligibility

ITA funding targets participants who meet the requirements of [20 CFR 680.210](#) highlighting who may receive training services. Additional information about training eligibility can be found in NJDOL's Title I Eligibility policy (WD-PY24-11).

Approvals for ITAs are determined by designated One Stop Career Center partner staff based on initial interviews, evaluations, assessments, and career planning activities.

Participants are eligible for training supported through ITAs in the following circumstances, when the individual 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;
- 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
- Have the skills and qualifications to participate successfully in training services;

In addition, participants must select a program of training services that is directly linked to the employment opportunities in the local area or the planning region, or in another area to which the individuals are willing to commute or relocate. Specifically, the training programs are eligible for support through ITAs if:

- Included on the New Jersey Eligible Training Provider List, and
- Directly linked to an in-demand industry sector on the NJDOL Labor Demand Occupations [List](#) 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 (see local and regional waiver process below); and
- Consistent with the local area's guidelines for programs providing good training and meeting any performance standards set by the state or local areas.

Additionally, if a participant is able to obtain grant assistance from other sources to pay the costs of such training, including such sources as State-funded training funds or Federal Pell Grants, training must be paid with these sources first. ITAs are intended to support participants who do not have access

to any other training funds. WIOA regulations related to fund coordination can be found at [20 CFR 680.230](#).

Finally, training service provided through Title I Adult funding streams must prioritize supporting individuals with Priority of Service. More information about Priority of Service can be found in WD-PY24-11.

#### **Training Program and Occupation List Changes**

If an occupation is removed from the NJDOL Labor Demand Occupations [List](#) during a participant's training, the participant may complete the training through the training end date with continued ITA support. This may not extend for more than 24 months.

If a program is removed from New Jersey's ETPL during a participant's training, the participant may complete the training supported with the ITA. A local area may include in its policy the opportunity to transfer to a different training provider in this circumstance to ensure a high quality experience for participants.

#### **Services Prior to Training Services**

WIOA regulations at [20 CFR 680.220](#) require that, prior to receiving training services, a customer must receive an interview, evaluation, or assessment, and career planning, including the development of an IEP. This information is critical to informing and individualizing a service plan for a participant and ensuring that training services align with the occupational interests, skill needs, and employment goals of the individual. One Stop Career Center staff may accept prior assessments completed up to a year before enrolling in WIOA services for training eligibility determinations.

There is no requirement that career services be provided as a condition to receive training services; however, if career services are not provided before training, the Local WDB must document the circumstances that justified its determination to provide training without first providing the services.

In addition, participants must have access to and engage in career planning efforts that offers informed consumer choice that allows for the consideration of the widest variety of training provider options prior to their enrollment in a training.

One Stop counselors work with participants to assist them in making an informed selection of a training provider by ensuring the participant:

- Has access to the list of eligible training providers.
- Is provided with labor market information related to training options.
- Receives information about the performance of eligible training providers, including any evaluation conducted by the local area.

These procedures must be applicable to all customers, including those who were referred from a training provider and who went to the One Stop seeking training at that particular provider.

In other words, the identification of a training need, the training area of focus, and a specific training provider must be informed by the individual skills, needs, and interests of each participant as part of

initial career planning and the development of the customer's IEP, in order to justify support of the training with an ITA.

### **Occupational Training Waivers**

If an occupation does not appear on the NJDOL Labor Demand Occupation List but an LWDB identifies the occupation as in demand in the local area, an LWDB may submit a waiver with justification to NJDOL. In addition, waivers may be submitted collectively by a group of LWDBs as a region with justification.

Waivers must demonstrate sufficient local or regional demand for an occupation that does not appear on the NJDOL Labor Demand Occupations List. This can be demonstrated by either of the two methods below:

- Letters from at least two employers attesting to the number of people they have hired in the past year in that occupation and to their projected need in the years ahead.
- Local or regional labor market information indicating a stronger demand for the occupation than the statewide data suggest.

The NJDOL's Office of Research and Information can assist with providing this information. Please contact the Director of the Center for Occupational Employment Information (COEI) and the Chief, Bureau of Labor Market Information for assistance.

The completed local or regional waiver requests should be sent via email.

Determinations to local and regional waiver requests will be made by COEI within 30 days of receipt. No ITAs should be distributed for training programs that prepare individuals for occupations not on the NJDOL Labor Demand Occupations List until formal approval is received.

### **Establishing Local Criteria and Policies for ITAs**

The One Stop Career Center's role is to help facilitate a successful connection between a participant and a training provider through the development and monitoring of each individual ITA contract.

Part of the counselor's role is to ensure that participants skills are a good match with the training program and requirements of the training program before enrollment and to continue supporting them to successfully complete training.

### **Participant Criteria**

To support this, LWDBs must establish specific criteria through guidance that helps to maximize potential for participant success, including:

- Criteria for minimum assessment scores on the assessment systems approved by the state of New Jersey. This can be established by reviewing the recommendations of the test publisher to determine the appropriate scores and skills required for a particular training opportunity or industry, including information or recommendations which may be provided by NJDOL, and/or

an analysis of a local area's own participants and their track record of success. It should not rely only on the standards that may be set by a training provider.

- Procedures for waiving minimum score requirements, including for participants who have achieved educational credentials such as an Associate's Degree.
- A review of the prerequisites for any training and documenting whether and how the participant has met them.
- Ways to assess the participant's suitability for the training, including the ability to support themselves through the completion of the training (particularly if the applicant's source of income such as unemployment compensation, additional benefits during training, or severance from an employer will terminate prior to the completion of training).
- Ways to consider and document exceptions to these criteria if the individual can demonstrate unique circumstances

In addition, LWDBs must develop standards for participants' continuation in the program, and processes for ending participation if standards are not met. These standards can include:

- A minimum grade point average, if enrolled in an academic program.
- Completing sufficient credit hours to finish the approved course of study within the timeframe established under the approved training plan.
- Participating in classes.
- Meeting attendance standards.
- Passing certification examinations within the timeframe established under the approved training plan.

Local boards must develop a policy that addresses procedures for when a customer fails a test. The policy should detail how the local area will support a retest. These considerations can include:

- Minimum time period between testing.
- Number of times that a person can be re-tested.
- Tutoring options: free online sources, local entities who offer remedial help.
- If the LWDB has different procedures based on the test type (basic skills, ITA certifications, prerequisite testing, etc.)

Finally, LWDBs should consider under what circumstances a participant may receive a waiver or extension of obligations for continuation for good cause. Good cause includes, but is not limited to:

- Illness, injury, disability of the customer or a member of the customer's immediate family.
- Severe weather conditions or natural disaster precluding safe travel.
- Destruction of the customer's school records due to a natural disaster or other catastrophe not caused by the customer.
- Acting on advice received from an authority such as the training provider, instructor, or counselor.
- Training is delayed or cancelled.
- Accepting stop-gap employment with hours or other work conditions that conflict with the training.
- Accepting goal-related employment prior to completion of training.

## Training Cost Criteria

In addition to establishing participation criteria, LWDBs must also establish specific requirements related to cost and time limits. With this guidance, NJDOL is establishing a recommended limit of up to \$7500 on ITAs. Local areas may establish general guidelines that set a higher ITA level than this recommendation if clear justification and documentation for this decision are in place.

LWDBs must clearly outline the limits on local ITA costs and time limits. In setting local limits, LWDBs can consider several options and can combine elements of the factors listed below.

- Maximum amount for an ITA. If a local area establishes a funding cap for ITAs, the limitation must be described in the local plan (see [20 CFR 663.420\(c\)](#)). If a local policy sets a maximum amount for ITAs, it should review that funding level no less frequently than annually and make appropriate adjustments.
- Maximum length of training. The local area may set a specific limit on the length of training, or it may set a time limit but allow for exceptions in certain circumstances under clearly defined processes.
- Limits on the number of ITAs available to a single participant. A local area may limit a participant to a single ITA over the participant's lifetime; require a waiting period between multiple ITAs; or allow multiple ITAs only under certain criteria. If a local area's policy allows for more than one ITA, the policy must include a process that documents how and why another ITA will help the participant meet their career goals.

A local area may also set different maximum levels for particular industries or training opportunities, such as distinguishing among degree programs, in-person training opportunities, and online or self-paced training. Support for ITAs from funding sources other than WIOA may provide opportunities for additional flexibility.

In addition, LWDBs may establish and set processes for approving ITAs at higher costs or time limits than they set in local guidance. Processes established at the local level must include the following:

- Exceptions to ITA limits may be made on an individual basis.
- Exceptions to the maximum limit and duration of an ITA must be submitted to the CEO of the local WDB with documented justification for approval.
- Requests for an exception must include evidence that supports the decision and documentation that all efforts were made to recognize, secure, and utilize other financial resources prior to seeking WIOA funding.

Local areas may be required to provide justification for consistently funding providers whose costs are significantly higher than those of other comparable training programs.

## Payment Considerations

The policy must also include information on the timeline for payment: whether some or all of the training cost will be paid at enrollment, midway through program, and/or at completion. The payment schedule can vary by provider or program but must be clearly communicated to the participant.

If the cost of training exceeds the local area's maximum ITA amount, the local area may require the participant to document income or assets sufficient to complete the training. This requirement and process must be included in local policy.

### **Out-of-State Training Providers**

LWDBs and participants may find that the most appropriate training comes from a provider not located in the state of New Jersey. An LWDB may allow participants to pursue training with a provider located in another state, if that training provider has been approved for admission to the NJ ETPL. A maximum of 15% of participants may participate in ITAs through out-of-state providers.

To support this LWDBs must include procedures and criteria regarding permission of out-of-state training providers in local guidance. This guidance must include:

- A priority for New Jersey-based schools.
- A process for justifying the out-of-state training (generally, documenting that the training cannot be provided in New Jersey).
- Assurance that participants will not pay out-of-state tuition and fees to providers.
- A requirement for in-person instruction in states that share a border with New Jersey.
- For online instruction, a process for ensuring:
  - That the provider is on both its home state's and New Jersey's ETPL.
  - A process for collecting feedback on and reviewing the provider, with the prospect of removing ineffective providers from New Jersey's ETPL.

### **Coordinating Other Programs with ITAs**

ITAs can, and in many cases should, be coordinated with other services and sources of funding. Additional resources can support participants in meeting their training and employment goals.

### ***Supportive Services***

One Stop Career Centers must provide participants with appropriate supportive services to assist them in completing the goals of their ITA. In particular, participants who face barriers to successful continuation or completion of a training program after enrollment may benefit from the addition of supportive services that ease barriers to training participation and completion. Local area ITA policies can outline specific costs and services related to supportive services and/or reference the local area's supportive service policy.

### ***Basic Skills Education and Literacy***

Participants in ITAs can be enrolled concurrently in basic skills education and literacy training services where appropriate and so long as the identified skill needs do not preclude successful completion of training. A participant does not in all cases have to complete basic skills training before enrolling in an ITA. For example, a participant who is basic skills deficient in mathematics can enroll in basic skills mathematics education while also enrolled in training for which strong mathematics skills are not required. Local areas should incorporate this option into their policies in collaboration with Title II partners.

***Apprenticeship and Pre-Apprenticeship***

ITAs can be used to support an individual in a Registered Apprenticeship Program (RAP) by funding the related technical instruction (RTI) portion of their training. The RAP must be on the ETPL. Under WIOA, all RAPs are automatically eligible to be on the ETPL.

There is no federal prohibition on using both ITA and on-the-job-training (OJT) funds when supporting an individual in a RAP; therefore, when determined necessary, One Stop Career Centers may provide both an ITA for the RTI, and an OJT contract for the same individual. The LWDB must have a policy describing how this determination is made, and what the limit of the combined funds would be.

An ITA can also be used to support an individual in a pre-apprenticeship if there is a classroom component to the training. The pre-apprenticeship program must meet the quality pre-apprenticeship standards established by USDOL in [Training Employment Notice 23-23](#).

***Additional Benefits During Training***

Participation in an ITA does NOT guarantee Additional Benefits During Training (ABT). However, in most cases participation in an ITA meets training requirements for participants who are eligible for and approved to receive ABT. The programs can work together to support participants' employment and training goals. Eligibility and guidelines for ABT are outlined in [WD-PY22-14.2, Additional Benefits During Training](#).

**Contact us:** For any questions regarding this guidance, please contact [WIOAPolicy@dol.nj.gov](mailto:WIOAPolicy@dol.nj.gov).

**References and Links:**

- [20 CFR 663.420\(c\)](#);
- [20 CFR 680.210](#);
- [20 CFR 680.220](#);
- [20 CFR 680.230](#);
- [20 CFR 680.600](#);
- [TEN 23-23](#);
- [WD-PY22-14.2](#);
- [WIOA sec. 134\(c\)\(3\)\(B\)](#)