



**WORKFORCE INNOVATION AND
OPPORTUNITY ACT TITLE I-B
POLICY MANUAL**

CHAPTER 2 - SECTION 500

SUBJECT: TRAINING SERVICES

500 BACKGROUND AND PURPOSE

This section provides policy for training services available to unemployed and underemployed adults, and to dislocated workers.

Training services prepare individuals for the workforce by providing in-demand skills that meet employers' needs based on labor market information, Local Workforce Development Board (LWDB) sector strategies, career pathways, and business outreach.

Through job-driven training, individuals acquire the skills needed to obtain, and/or retain employment and increased earnings, which may lead to self-sufficiency.

Training services for youth are addressed in the WIOA Title I-B [Youth Program policy](#) in Section 200 with the exception of Individual Training Accounts (ITAs), which are addressed in section 504 of this policy.

References: Workforce Innovation and Opportunity Act (WIOA) of 2014 ([P.L. 113-128](#)) Federal Register [20 CFR § 680](#), and Training and Employment Guidance Letters (TEGLs) [15-10](#), [8-19](#), [10-16 change 1](#), [19-16](#), [21-16](#) and Training and Employment Notice (TEN) [25-19](#).

501 TRAINING SERVICES

Training services are available to assist individuals in gaining skills and knowledge to obtain and retain employment. Training is administered by public and private sector employers, as well as institutions of higher education, Registered Apprenticeships (RA), and other public and private providers of programs of training services.

The LWDB, and/or service provider may determine training services are appropriate, regardless of whether the individual has received basic or individualized career services.

Training services must be directly linked to employment opportunities in either the Local Workforce Development Area (LWDA) in which the participant resides or in another local area where the participant is willing to relocate as per [20 CFR 680.210\(b\)](#).

A. Training services may include:

1. Occupational Skills Training – Training designed to meet the technical needs of the workplace and provide specific vocational skills leading to proficiency in the performance of actual tasks and technical functions required by specific occupational fields, including training in non-traditional employment. Providers of occupational skills training must be listed on the Eligible Training Provider List (ETPL) and the specific training program must be listed as WIOA approved (see [Section 506 of this policy and ETPL policy Section 600](#)).
2. On-the-Job Training (OJT) – Training provided through a contract with an employer who is reimbursed a percentage of the wage rate of the participant being trained while the participant is engaged in productive work (see [Section 508 of this policy](#)).
3. Incumbent Worker Training (IWT) – Training designed to help the employer’s existing workforce obtain skills necessary to retain employment and prevent job loss. Training activities are provided through a contract between the LWDB and an employer or a group of employers (which may include employers in partnership with other entities for delivering such training) for the purpose of assisting such workers in obtaining the skills necessary to retain employment or avert layoffs (see [Section 510 of this policy](#)).
4. Skill Upgrading and Retraining – Short-term or part-time training designed to upgrade skills in the workplace and provide retraining to enhance current skills.
5. Entrepreneurial Training – Training on the responsibilities of organizing, managing, and operating a business or enterprise.
6. Job Readiness Training – Training offered in combination with:

- a. Occupation skills training;
 - b. OJT;
 - c. IWT;
 - d. Programs that combine workplace training with related instruction;
 - e. Training programs operated by the private sector;
 - f. Skill upgrading and retraining; or
 - g. Entrepreneurial training.
7. Customized Training – Training designed for specific requirements of an employer or group of employers, which is related to new production or service procedures, upgrading to new jobs that require new skills, workplace literacy, or other appropriate purposes as identified by the local board. Upon completion of the training, the employer must commit to employ or continue to employ the individual(s) who participated in the training (see [Section 511 of this policy](#)).
 8. Registered Apprenticeship (RA) – Training based on an approved set of National Guidelines for Apprenticeship Standards and developed by a national committee or organization, which includes OJT and related technical instruction in a classroom instructional setting (see Section 509 of this policy).
 9. Training via programs that combine workplace training with related instruction, which may include cooperative education programs.
 10. Training programs operated by the private sector.
- B. The types of training listed in this policy are not inclusive, as LWDBs may provide additional types of training.
- C. Providers of OJT, IWT, internships (individualized career service), paid and unpaid work experience (individualized career service) or

transitional jobs (individualized career service) are not required to be listed on the ETPL and are not subject to ETPL requirements.

D. Adult education and literacy activities include, English language acquisition and integrated education training programs, are permitted, provided concurrently or in combination with:

1. Occupational skills training;
2. OJT;
3. IWT;
4. Programs that combine workplace training with related instruction;
5. Training programs offered by the private sector;
6. Skill upgrading and retraining; or
7. Entrepreneurial training.

502 TRAINING SERVICES ELIGIBILITY

.01 Eligibility Requirements

All adults and dislocated workers must be registered and enrolled in the Arizona Job Connection (AJC) labor exchange system and determined eligible prior to receiving training services. As described in [20 CFR § 680.210](#), training services are available to employed and unemployed adults and dislocated workers if:

- A. The one-stop operator, ARIZONA@WORK partner, and/or service provider staff determines after an interview, evaluation or assessment, and career planning, that the participant is:
 1. Unlikely or unable to attain 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. In need of training services to obtain or retain employment that leads to economic self-sufficiency, or wages comparable to or higher than wages from previous employment;
3. Determined to have the skills and qualifications to successfully participate in the selected program of training services;
4. Selecting a program of training services from the local ETPL, and/or the state ETPL if a local ETPL does not exist, directly linked to employment opportunities in the local area, the planning region, or another area to which the participant is willing to commute or relocate;
5. Unable to obtain grant assistance from other sources to pay for the cost of training or requires WIOA Title I-B assistance in addition to other sources of grant assistance (see Section 503 of this policy);
6. A member of a worker group under a petition filed for Trade Adjustment Assistance (TAA) and is waiting for a determination. If the petition is certified, the worker may then transition to TAA approved training. If the petition is denied, the worker will continue training under WIOA Title I-B; and
7. Determined eligible according to the state and local priority of service system for the WIOA Title I-B Adult Program.

.02 Required Career Services

Prior to providing training services to participants, the one-stop operator, ARIZONA@WORK partner, and/or service provider staff must obtain enough information to make an eligibility determination that an individual is eligible to receive training services, as described in [20 CFR § 680.220](#).

A. Participants must receive, at a minimum:

1. An interview, assessment, or evaluation and career planning, including the development of an Individual Employment Plan (IEP);
or

2. Other services, as determined by the LWDB, to gather enough information to make an eligibility determination.
- B. Service provider staff may use a participant's recent interview, evaluation, or assessment for eligibility determination purposes when such is conducted by another education or training program, as the LWDB determines appropriate.
 - C. On rare occasions, it is possible that participants do not receive a career service prior to receiving training services. However, when training services are provided without the services listed in this section, service provider staff must include justification, in the participant's case file, as to why the individual did not receive these services. Likewise, there is no minimum time period for participation in career services prior to the individual becoming eligible for training services.

.03 Case File Documentation

Training participants' case files must include:

- A. A determination of the need for training services as determined by the conduction of an:
 1. Interview;
 2. Assessment; or
 3. Evaluation.
- B. Career Planning documentation, including that the participant was provided with:
 1. Labor market information; and
 2. Training provider performance information.
- C. Any other career services received.

503 COORDINATION OF WIOA TITLE I-B TRAINING FUNDS WITH OTHER GRANT ASSISTANCE AND CO-ENROLLMENTS

WIOA Title I-B funding for training is limited to participants who are unable to obtain other grant assistance to pay for the cost of training or who require assistance beyond that available from other sources to pay for such training. Service provider staff must coordinate funding arrangements and co-enrollments with ARIZONA@WORK partners and other entities.

.01 Coordination of Training Funds

- A. LWDBs must ensure that WIOA Title I-B training funds are awarded only when no other sources of funding are available or when the amount available is insufficient in covering the participant's training costs as described at 20 CFR § [680.230](#) (C). The one-stop operator, ARIZONA@WORK partners, and/or service provider staff must document application of alternative sources of funding in the AJC system under case notes or the participant's file. Alternative sources of funding that may be available include, but are not limited to:
1. State-funded training funds;
 2. Trade Adjustment Assistance (TAA);
 3. Rehabilitation Act funds;
 4. Temporary Assistance for Needy Families (TANF);
 5. Federal Pell Grant funds; or
 6. Other federal grant funds.
- B. In making the determination that WIOA Title I-B funds are required, service provider staff must take into account the full cost of training, including the cost of supportive services and other appropriate costs, to ensure that the training is completed successfully.
- C. This provision does not apply to the GI Bill or for other forms of Veterans Administration (VA) education or training benefits. Veterans and spouses are not required to coordinate their entitlement to VA training benefits with WIOA Title I-B training funds.

- D. Student loans are excluded when determining the individual's overall need for WIOA Title I-B funds for educational costs.
- E. Individuals may be attending school when they become a WIOA Title I-B participant; reimbursement of training costs is not allowed for payments made prior to WIOA Title I-B program participation.

.02 Application for the Pell Grant

Pell Grant eligibility is established by completing the Free Application for Federal Student Aid (FAFSA). ARIZONA@WORK Service Providers, and/or Job Center operators must maintain documentation in the participant's file to support the eligibility determination and award of the Pell Grant.

- A. All WIOA Title I-B program participants pursuing training at a Pell Grant eligible institution must apply for a Federal Pell Grant, unless the participant provides documentation to indicate they are not eligible for the Pell Grant.
 - 1. A participant may enroll in WIOA Title I-B funded training while his/her application for a Federal Pell Grant is pending.
 - 2. Reimbursement is not required from the portion of the Pell Grant assistance disbursed to the WIOA Title I-B participant for education-related expenses, which includes supportive services.
- B. Following the award of the Pell Grant, the training provider must reimburse the ARIZONA@WORK Service Providers, and/or Job Center Operator the amount that the Pell Grant covers from the WIOA Title I-B funds used to underwrite the training.
- C. The ARIZONA@WORK Service Providers, and/or Job Center Operator must have a completed agreement on file with the educational institution and the WIOA Title I-B participant before any funds are paid to the training provider. This agreement must detail the amount to be initially paid by the WIOA Title I-B program and the agreement between the training provider and the participant to reimburse the WIOA Title I-B program through the Federal Pell Grant.

- D. Federal Pell Grants are awarded to cover tuition costs and education-related expenses.
- E. When a participant is awarded a Pell Grant, the Pell Grant amount and the beginning and ending date of the grant must be recorded in the AJC system on the WIOA Educational Grants page, and under AJC case notes, or the participant's file.

.03 Co-enrollments

Co-enrollment is encouraged with partner programs.

- A. Co-case management with partner programs must ensure duplication of services does not occur.
- B. Supportive services may be provided to support WIOA Title I-B funded or non-WIOA Title I-B funded training. Any supportive services provided by the WIOA Title I-B program must be documented appropriately in the AJC system and added to the Service and Training (S & T) plan and in the AJC system under case notes or the participant's file.
- C. In the case of co-enrollment in Job Corps and WIOA, the Job Corps component will be considered training on the IEP.
- D. The WIOA Title I-B program may receive credit when a training service results in a recognized postsecondary credential, secondary school diploma or high school equivalency diploma as defined in section 512 of this policy. This includes:
 - 1. Instances when training is paid for using partner-program funds; or
 - 2. When the participant paid for training using other funds (i.e., the participant paid for training, the training was paid by the participant's parent, employer, or other grants or scholarships paid for 100 percent of training); and
 - 3. WIOA Title I-B funds were used to provide career, and/or supportive services to support the participant's success in the programs.

- E. When non-WIOA Title I-B funds are used to pay for the training, the training program is not required to be listed on the ETPL. If the training is paid for using partner-provided funds, service provider staff must add the training in AJC, on the Case Details page as follows:
 - 1. Select the “Partner Provided Services” hyperlink and click add;
 - 2. Select the Funding Source/Enrollment; and
 - 3. Complete the services provided by the partner program on the Partner Provided Services page drop down menu.

- F. The WIOA Title I-B program may count its participant’s attainment of an industry recognized credential when the training program is not paid with WIOA Title I-B funds towards WIOA Title I-B credential attainment rate. To count the credential, the following requirements must be met:
 - 1. The participant earned the industry recognized credential during participation or within one year after exit.
 - 2. WIOA Title I-B service provider staff determines if the training program’s outcomes meets the definition of an industry recognized credential in section 512 of this policy.

- G. To record the industry recognized credential, the service provider must enter the industry-recognized credential on the 4th Quarter Outcomes screen.

504 INDIVIDUAL TRAINING ACCOUNT (ITA)

LWDBs must require use of ITAs to provide training services, authorized under WIOA Title I-B, to eligible Adults, Dislocated Workers, In-School Youth (ISY), and Out-of-School Youth (OSY), so that they may pay to attend approved training programs listed on the ETPL, as described at [20 CFR § 680.300](#).

- A. ITAs are payment agreements established, on behalf of the individual participant, with the training provider, so that the participant can purchase training from a training provider whose program is approved on the ETPL.

- B. ITAs are used for all training options that require use of the ETPL.
- C. ITAs are an agreement between the LWDB and the training provider:
 - 1. LWDB must not require that the participant pay for the training upfront and request a reimbursement upon completing the training.
 - 2. LWDBs are only responsible for the amount agreed upon in the ITA.
- D. ITAs with a specified dollar amount are established based on the needs of the participant as identified in the IEP/Individual Service Strategy (ISS).

.01 ITA Payments

- A. Payments from an ITA must be made by the LWDB directly to the Eligible Training Provider in a variety of ways, including:
 - 1. Electronic transfer of funds through financial institutions, vouchers, or other appropriate methods (see [ETPL Policy](#), Section 600 for information about ETPL and ETPs); or
 - 2. Incrementally, through payment of a portion of the costs at different points in the training course.
- B. LWDBs must not require Eligible Training Providers to wait for payment until the participant successfully completes the training program.
- C. Payments must not be contingent on the participant obtaining his or her credential or securing employment.
- D. The ITA amount cannot exceed the total cost listed on the ETPL.

.02 ITA Limitations

LWDBs may impose dollar amount, and/or duration limits on ITAs, as described in [20 CFR § 680.310](#).

- A. Limits to the ITA may be established in the following ways:

1. The amount and duration of each participant's ITA may be justified through documentation of the participant's needs, such as the occupational choice or goal and the level of training needed to succeed in that goal, as identified in the IEP/ISS and maintained in the participant's case file; or
 2. A range of amounts, and/or a maximum amount, applicable to all ITAs, may be established.
- B. Exceptions to the limitations on the ITA must be determined on a case-by-case basis.
- C. The authority of the LWDBs to establish limits on the duration of the ITAs or restrictions on funding amounts must not be used to arbitrarily exclude training providers or types of training programs.
- D. Limitations on the duration of ITAs or restriction on funding amounts established by LWDB policies must be described in the local plan.
- E. Limitations must not be implemented in a manner that undermines the WIOA Title I-B requirement that training services are implemented in a manner that maximizes customer choice. LWDBs must not set time limitations on ITAs that would prevent participants from being able to choose any program listed on the local ETPL and/ or state ETPL.
- F. An individual may select a training program that costs more than the maximum amount available for ITAs when other sources of funds are available to supplement the ITA.
- G. When an ITA is issued, the ITA Issued box must be checked on the WIOA Educational Grants page in AJC. The ITA amount and ITA begin and end dates must also be added to this page.

.03 Individual Training Account Plan

The amount and duration of each participant's ITA must be justified through documentation of the participant's needs, such as occupation choice or goal and the level of training needed to succeed in that goal, as identified in the IEP/ISS and maintained in the participant's file.

Each participant who is issued an ITA must have a completed “Individual Training Account Plan” which must contain, but is not limited to:

- A. The total cost of the training program, including tuition, supplies, books, and any fees. The client’s budget and payments must be added to the AJC system;
- B. The dollar amount of additional sources of training funds, including funds from other job training programs and grants to be applied to the training cost;
- C. Pell Grant eligibility and the award amount that will be applied to the training cost;
- D. The duration of the ITA Plan;
- E. Signatures from the service provider staff member and participant;
- F. Assessments (or IEP/ISS) to document the participant’s ability to complete the training; and
- G. Labor market information relevant to the training, in order to document the reasonable expectation of high-pay/high-demand employment upon completion of the training.

.04 Additional Means of Providing Training without the Use of ITAs

- A. The local plan must describe the process used when selecting the providers under contract for services. If contracts are used to provide services to participants, these programs do not need to be included on the ETPL.
- B. Contracts for services may be used instead of ITAs *only* when the LWDB has fulfilled consumer choice requirements in [Section 505](#) of this policy, and one or more of the following applies, as described in [20 CFR § 680.320](#);
 - 1. The services provided are OJT, Customized Training or, IWT;

2. LWDBs determine that there are an insufficient number of eligible providers in the LWDA to accomplish the purpose of a system of ITAs. When this is determined:
 - a. The local plan must describe the process to be used in selecting providers under a contract for services; and
 - b. The determination process must include a public comment period of at least 30 calendar days for interested providers.
3. LWDBs determine there is a training services program offered by a community-based organization, or by another private organization in the area, that has demonstrated effectiveness in serving individuals with barriers to employment.
4. LWDBs must develop criteria used in determining demonstrated effectiveness as it applies to individuals with barriers to employment. Criteria may include, but is not limited to:
 - a. Financial stability of the organization;
 - b. Demonstrated performance in the delivery of services to individuals with barriers to employment through such means as:
 - i. Program completion rate;
 - ii. Attainment of skills;
 - iii. Certificates or degrees the program is designed to provide;
 - iv. Placement in unsubsidized employment after training;
 - v. Retention in employment; and
 - vi. The specific program's alignment with the workforce investment needs, to be identified in the Local plan;
 - c. Service to individuals with barriers to employment, including those in one or more of the following categories:
 - i. Displaced homemakers;

- ii. Low-income individuals;
 - iii. American Indians, Alaskan Natives and Native Hawaiians;
 - iv. Individuals with disabilities;
 - v. Older Individuals (55 years and over);
 - vi. Ex-offenders;
 - vii. Youth who are in or aged-out of the foster care system;
 - viii. Homeless individuals;
 - ix. Individuals who are English language learners, have low levels of literacy, and/or have substantial cultural barriers;
 - x. Eligible migrant and seasonal farmworkers;
 - xi. Individuals who are within 2 years of exhausting their lifetime eligibility under TANF;
 - xii. Single parents (including single pregnant women);
 - xiii. Long-term unemployed individuals; or
 - xiv. Other groups determined by the Department of Economic Security (DES) to have barriers to employment.
- C. The LWDB determines that it is most appropriate to contract with an institution of higher learning or other eligible training provider of training services to facilitate the training of multiple individual in-demand industry sectors or occupations;
- D. The contract does not limit consumer choice;
- E. The LWDB enters a pay-for-performance contract and ensures that the contract is consistent with [20 CFR § 683.510](#). LWDBs must not use more than 10 percent of local funds for a pay-for-performance contract;
- F. LWDBs may determine that providing training through a combination of ITAs and contracts meets the needs of the participants. This approach

may be used for placing participants in Registered Apprenticeships (RA) and other similar types of training; or

- G. If a current or former military member is awarded vocational credit towards their certification or an evaluation of the military member's Joint Service Transcript (JST), as per Arizona Revised Statute [\(A.R.S\) 15-1898](#), the LWDB must work with their community college and university partners to determine the appropriate point of contact and steps the veteran will need to take to have his/her JST evaluated by the community college or university.
1. LWDBs must develop local policies and coordinate with the community colleges and universities to determine the correct amount of the individual ITA after it is determined that a veteran will receive academic or vocational credit based on his/her skills, knowledge, and competencies acquired during military service. The cost of the program may be less than the total program cost listed on the ETPL.
 2. LWDBs must have an agreement on the file with the community college or university that details any amount initially paid by the LWDB using WIOA Title I-B funds and indicating that the LWDB will be reimbursed if, at a later date, it is determined that the veteran will receive academic or vocational credits for his/her knowledge, and competencies acquired during military service.

505 CONSUMER CHOICE

Training services that are provided through an ITA or a contract must be provided in a manner that maximizes consumer choice in selecting a training provider, as described in [20 CFR § 680.340](#).

- A. Each LWDB, through its ARIZONA@WORK Job Centers, must make available to customers the local Eligible Training Provider List (ETPL), if it exists, and the state ETPL.
- B. The list contains descriptions of programs through which training providers may offer training services, as well as performance and cost information.

- C. Programs listed on the local and state ETPL that lead to a recognized postsecondary credential, and which are aligned with in-demand industry sector occupations, must be given priority consideration.

.01 Career Planning Consultations

- A. Consultations with a career planner must include, at a minimum, an evaluation of the following:
 - 1. Participant's assessment results to determine if skills are sufficient to successfully complete a selected training program;
 - 2. Program prerequisites;
 - 3. Availability of additional training funds;
 - 4. Cost of the training program;
 - 5. Comparison of training programs; and
 - 6. Availability of jobs in the local job market and the minimum entry wage for related occupations. Jobs must be in in-demand occupations or industries in the LWDA.

.02 Training Provider Selection Process

An individual who has been determined eligible for WIOA Title I-B training services may select any eligible training program listed on the local ETPL, or state ETPL if a local ETPL does not exist, or another LWDB if the individual's chosen training is on the state ETPL, but not on the local after consultation with a career planner. The selected ETPL approved training program must be:

- A. In-demand in the LWDA or in-demand in a location where the training participant is willing to commute or relocate; or
- B. Unless the program has exhausted training funds, the ARIZONA@WORK Job Center must refer the individual to training and establish an ITA to pay for training.

- C. The referral may be provided to the individual in the form of a voucher or certificate to obtain the training.

.03 Service and Training Plan in AJC

All services provided to WIOA Title I-B participants must be entered on the S & T plan in AJC. When service provider staff enter a training service in the AJC system, ensure the following is completed:

- A. The appropriate O*net code and CIP Code is required; and
- B. If the service is an education service, only the CIP code is required, as not all training/educational services have an O*net code.

.04 Adult Education and Literacy Activities

- A. WIOA Title I-B funds must not be used to provide Adult Education and Literacy Activities without another type of training service.
 - 1. Individuals in need of Adult Education and Literacy Activities but not in need of another type of training service, may be referred to the WIOA Title II Adult Education Program.
 - 2. Service provider staff are encouraged to co-enroll WIOA Title I-B Adult and Dislocated Workers with the WIOA Title II Adult Education Program when appropriate.
- B. When a reading, writing, or math class is part of a training program and is paid for using WIOA Title I-B funds, service provider staff must add the *Adult Ed. and Literacy Activities Provided in Combo w/Another Training service* to the S & T page in AJC.
- C. When a training program requires that a participant take prerequisite courses that are considered Adult Education and Literacy Activities (such as a reading, writing, or math class), the training provider must include the prerequisite courses in the program description on the ETPL. The following information must be included in the program description:
 - 1. Course titles of prerequisites;

2. Cost of prerequisite courses; and
 3. Total program costs that includes the cost of the prerequisites. listed in the ETPL Program Description.
- D. Service provider staff must include the course titles and the cost of the prerequisites on the ITA as required in Section 610.0.A.04 and 610.01.A.07 of the [ETPL Policy](#). When a participant has already completed the training program's prerequisites, the cost of the prerequisite classes must be deducted from the total cost of the program as listed on the ETPL, and not be included in the ITA limit.

.05 Barriers to Training Participation

WIOA Title I-B participants may face barriers that interfere with participation in training services, such as a lack of access to transportation or child care. When participants are facing barriers to participation, staff must:

- A. Not exclude participants from opportunities to participate in training services; and
- B. Provide supportive services, as appropriate, to assist participants in overcoming barriers (see WIOA Title I-B [Supportive Services Policy](#), Section 300).

.06 Reciprocal Agreements

- A. The ETPL is the primary list of eligible training providers and programs approved by the LWDBs to be used by the service provider staff when referring a WIOA Title I-B participant to training. Service provider staff may refer to programs on another state's ETPL with which Arizona has a reciprocal agreement if a comparable program is not available on Arizona's ETPL. Arizona has agreements with the following states:
 1. Nevada;
 2. Utah;
 3. New Mexico;

4. Montana; and
 5. Missouri.
- B. The training provider and program information must be manually entered on the S & T Plan page in AJC; and
- C. Service provider staff must enter “Reciprocal Agreement with the State abbreviation”, in the Training Agent ID field, e.g. “Reciprocal Agreement with NM.”

506 OCCUPATIONAL SKILLS TRAINING

Occupational skills training is an organized program of study that provides specific vocational skills that lead to proficiency in performing actual tasks and technical functions required by a certain occupational field at entry, intermediate, or advanced levels, as described in [20 CFR § 681.540](#).

.01 Training Programs Priorities Consideration

LWDBs must give priority consideration to programs that lead to post-secondary credentials and align with in-demand industry sectors in the local areas when approving programs for the local, and/or state ETPLs.

- A. Occupational skills training must be approved on the local, and/or state ETPL (see WIOA Title I-B [Eligible Training Provider List Policy](#), Section 600).
- B. ISY ages 14 to 21, and OSY ages 16 to 24 may be issued an ITA using WIOA Title I-B youth funds. If a youth is issued an ITA, the program must be listed on the local, and/or state ETPL;
1. Be outcome-oriented and focused on the occupational goal specified in the IEP;
 2. Be of sufficient duration to impart the skills needed to meet the educational goal;
 3. Result in the attainment of a postsecondary credential; and

- C. Provide a reasonable expectation that the WIOA Title I-B participant will gain self-sufficient employment upon completion of training.

.02 Entering Training Paid with WIOA Title I-B Funds in AJC

Service provider staff must not manually enter the training program information in the AJC system, or manually add the Training Agent IDs when the training program provider is paid for by a WIOA Title I-B program.

- A. Occupational skills training that is paid for by a WIOA Title I-B program must be added to the S & T Plan in the AJC system as follows:
 1. Use the “Search Training Providers” button, to search for training programs listed on the local, and/or state ETPL; and
 2. After finding the training program, service provider staff must select the “Add Training” button at the bottom of the Program Description page.
 - a. This will allow the S & T plan to auto-populate with training provider and program information from the local, and/or state ETPL and to attach a system-generated Training Agent ID.
 - b. This process links the participant to the training program so that performance reports can be accurately calculated.

507 WORK-BASED TRAINING

Work-based training includes OJT, IWT, and customized training. Work-based training is not subject to ETPL requirements.

.01 Business Requirements for Work-Based Training

LWDBs may contract with businesses located within or outside of the LWDA, including across state lines, as the LWDB determines appropriate. Each business agrees to:

- A. Complete an application and enter into a contract with the LWDB that is funding the training program;
- B. Adhere to applicable WIOA administrative requirements, as well as the nondiscrimination and equal opportunity provisions of [WIOA Section 188](#);
- C. Provide a Training Development Plan that identifies the training needs and competencies that will be achieved for each individual selected to receive the training;
- D. Provide copies of a “Certificate of Completion” to the LWDB for each individual who successfully completes the prescribed training program. Such certificates must contain the individual’s name and the class or course completed through training;
- E. Employ, or in the case of IWT continue to employ, an individual upon successful completion of training;
- F. Be available for LWDB program monitoring on a scheduled basis;
- G. Provide quarterly post-training reports, including information on the retention, and/or promotions of trainees and the impact of training on the business, for one year after the completion of the training; and
- H. Provide worker’s compensation insurance to participants participating in Work-Based Training.

.02 Work-Based Training Requirements

Training must result in transferable skills within the industry in which the worker is currently employed, and/or other growing industries within the LWDA and in an occupation with a high potential for sustained demand or growth as determined by the LWDB. Work-Based Training must not:

- A. Displace any currently employed workers (including a partial displacement such as a reduction in non-overtime work, wage, or employment benefits);

- B. Impair an existing contract for services or a collective bargaining agreement;
- C. Procure, contract for, or incur costs to be paid from WIOA Title I-B program funds prior to the start date, as determined by the date when all parties sign the contract;
- D. Be provided to any company that has relocated within the previous 120 days of its application if the relocation has resulted in any employee losing his or her job at the original location;
- E. Include proprietary training specific to a company, unless skills are determined to be transferable to other businesses or industries; and
- F. Be used to directly or indirectly assist, promote, or deter union organizing.

.03 Performance Requirements

LWDBs must collect performance data to ensure employers who are participating in work-based training are fulfilling their commitment to hire participants after they complete the training programs.

- A. LWDBs may set additional performance measures and criteria for work-based training programs.
- B. LWDBs must create a list of employers that offer work-based training(s) that meet requirements in the local area.
- C. LWDBs must not contract with an employer who previously received payments under WIA Title I-B or WIOA Title I-B if the employer has exhibited a pattern of failure to provide training participants with continued long-term employment that includes wages, benefits (as well as health benefits) and working conditions that are equal to those of regular employees who worked a similar length of time and who are doing the same type of work.

.04 LWDB Responsibilities

LWDB responsibilities for work-based training consist of:

- A. Identifying a point of contact in the LWDB who will assist the business customer with questions and concerns, and provide overall support for the contract;
- B. Incorporating the employer's Training Development Plan into the IEP and identifying any other barriers or services needed;
- C. Monitoring during the training period and upon completion of the training contract;
- D. Developing policies for funding limitations;
- E. Developing policies and procedures for in-kind contributions (e.g. costs of training space or facilities at an employer's place of business used during training);
- F. Identifying, during the application process, how the training program will benefit individual workers participating in training (e.g. promotion, increased wage, career ladder, attainment of self-sufficiency, layoff aversion);
- G. Reviewing WIOA Title I-B participant progress in the work-based training(s) and determining if supportive services are needed;
- H. Monitoring the work site upon placement of the WIOA Title I-B participant, after the completion of training, to document whether the WIOA Title I-B participant is working in the agreed upon position, at the agreed upon salary, and utilizing those skills obtained through the work-based training;
- I. Including a provision in the contract with the employer for contract termination due to lack of funds or lack of WIOA Title I-B participant attendance in the training;
- J. Including a provision in the contract with the employer permitting LWDB, state, and federal staff to review the training records;
- K. Creating a list of eligible providers of work-based training opportunities;

- L. Notifying participants that wages earned during work-based training are reported by the employer to the Unemployment Insurance (UI) Program for the following reasons:
 - 1. If the participant is claiming Unemployment Insurance, all wages earned must be reported as part of UI weekly claims.
 - 2. If wages are not reported, the participant may receive an overpayment and must consequently pay back compensation received from UI. Also, wages reported to the UI program by employers may be used to detect Workers' Compensation fraud.
- M. Complying with [minimum wage](#) and [earned sick pay](#) requirements under the Fair Wage and Healthy Families Act.
 - 1. LWDBs are not exempt from this requirement when they are the employer of record.
 - 2. Tribal Entities in Arizona are not required to comply with Arizona's Fair Wage and Healthy Families Act as they fall under federal jurisdiction.
 - 3. WIOA Title I-B funds may be used to pay for earned sick pay.

.05 Monitoring

- A. LWDBs must monitor each onsite contract for the purposes of determining that providers are following the contract, to include:
 - 1. Payroll, time, and attendance records substantiating the amounts claimed for reimbursement; and
 - 2. Training, wages, hours, benefits, and working conditions provided in accordance with the contract.
- B. Service provider staff must visit WIOA Title I-B participants and their supervisors at OJT and customized training worksites to:
 - 1. Assist in job-related or personal counseling; and
 - 2. Provide job coaching.

- C. Service provider staff must monitor the performance and progress of the participant on a regular basis to determine if:
1. Continued participation is required;
 2. Transfer to another activity is appropriate;
 3. Placement in unsubsidized employment has occurred; and
 4. Other services would be more appropriate.

508 OJT TRAINING

OJT is training provided under a contract with an employer or a RA sponsor who is reimbursed a percentage of the wage rate of the participant being trained while engaged in productive work in a job.

OJT is intended to successfully prepare an individual for long-term, unsubsidized employment by providing the knowledge or skills essential to meet the full and adequate performance requirements of the job.

Employers or RA sponsors providing OJT are subject to [Section 507.04 \(M\)](#) of this policy. Participants must be enrolled in their respective program in AJC to participate in OJT.

.01 Employer Reimbursements

Employer reimbursement payments are deemed payments for taking on extraordinary costs associated with the training of participants and the potentially lower productivity of the participants while in OJT. Employers are not required to document extraordinary costs.

- A. Employers may be reimbursed up to 50 percent of the wage rate of OJT.
- B. LWDBs may increase the reimbursement rate for the OJT contract up to 75 percent. LWDBs must establish a policy on when the wage reimbursement may be increased from 50 percent up to 75 percent for OJT.

- C. LWDBs must take into consideration the following factors when considering an increase to the OJT reimbursement rate up to 75 percent:
1. The characteristics of the participants, by taking into consideration whether they are “individuals with barriers to employment;”
 2. The size of the employer, with emphasis on small businesses;
 3. The quality of the employer-provided training and of advancement opportunities, such as if the OJT contract is in an in-demand occupation and will lead to an industry-recognized credential, and other factors that DES, LWDBs, determine appropriate including:
 - a. The number of employees participating;
 - b. The wage and benefit level of the employee (both presently and completion); and
 - c. The relation of the training to the occupational competitiveness of the participant.
- D. LWDBs must document the factors used when deciding to increase the wage reimbursement levels above 50 up to 75 percent.

.02 Time Limits for OJT

The OJT is limited in duration, as appropriate, to the occupation for which the WIOA Title I-B participant is being trained. Service provider staff must consider:

- A. Skill requirements of the occupation;
- B. Academic and skill levels of the participant;
- C. Prior work experience; and
- D. The IEP/ISS.

.03 OJT for Employed Workers

OJT contracts may be written for eligible employed workers under the following conditions:

- A. The employee is not earning a self-sufficient wage as determined by LWDB policy; and
- B. The training relates to an:
 - 1. Introduction of new technologies;
 - 2. Introduction to new production or service procedures;
 - 3. Upgrade to new jobs that require additional skills such as:
 - a. Workplace literacy; or
 - b. Other appropriate purposes identified by the LWDB.
- C. Requirements in section 508.01 of this chapter are met.

.04 OJT and Registered Apprenticeship Programs

- A. OJT contracts may be developed with RA programs or participating employers in the RA program to cover OJT training portions. Depending on the length of the program and local OJT policy, training funds may be used to cover some or all OJT and related technical instruction costs throughout the duration of the RA program.
- B. ITAs may be combined with OJT contracts when placing participants into RA programs.
- C. OJT contracts with RA programs must be consistent with other OJT requirements in this policy, including those for existing workers in section 508.03 of this chapter.
- D. For the WIOA Title I-B Adult and Dislocated Worker program, OJT training is included in the Measurable Skills Gain (MSG) performance accountability measure but is excluded from the credential attainment rate.

- E. For the WIOA Title I-B Youth Program, OJT training is not included in the MSG or credential attainment rate.

509 REGISTERED APPRENTICESHIP

RA is an industry-driven system of employment, OJT and related technical instruction (RTI). As an employee, the apprentice receives supervised, structured OJT work experience, combined with technical instruction training and built-in career placement. RAs include a minimum of 2000 OJT hours and 144 hours a year of RTI.

- A. RA may be offered by individual businesses, employer associations, or labor market organizations.
- B. The [Arizona Office of Apprenticeship](#) is responsible for registering new RA, and monitoring them for compliance. LWDB staff must notify the Arizona Office of Apprenticeship if a business indicates it is interested in registering a new apprenticeship program.
- C. RA programs automatically qualify to be listed on the ETPL. An ITA may be developed for a participant to receive RA training. For an ITA to be used for a RA, the RA program must be listed on the ETPL.
- D. ITAs may be used to support RA participants in:
 - 1. Pre-apprenticeship training leading to an RA program;
 - 2. Training tuition for a RA program to the training provider;
 - 3. Classroom instruction, in combination with an OJT contract, to cover some of all of the OJT portion of the RA;
 - 4. Supportive services, in coordination with career, and/or training services, to RA participants (see WIOA Title I-B [Supportive Services Policy](#), Section 300); and
 - 5. Needs-related payments (see WIOA Title I-B [Supportive Service Policy](#), Section 300).

510 INCUMBENT WORKER TRAINING

Incumbent Worker Training (IWT) is designed to meet the special needs of an employer (including a group of employers) to retain a skilled workforce, or to avert the need to lay off employees, by helping workers gain skills needed to retain employment and increasing the occupational competitiveness of the employee or the employer. The requirements for IWT are as follows:

- A. Participants of IWT are employed by the employer at the start of participation in the IWT.
- B. IWT is conducted with a commitment by the employer to retain or avert the layoff of the incumbent worker trained.
- C. Employers providing IWT are subject to [Section 507.04 \(M\)](#) of this policy. IWT is not permitted in providing occupational training to a new hire.

.01 Purpose of Incumbent Worker Training

- A. IWT may be used to either:
 - 1. Help avoid potential layoffs of employees; or
 - 2. Obtain the skills necessary for current employees to retain employment so employees can be promoted within a company and create backfill opportunities for less-skilled employees.

.02 Incumbent Worker Eligibility Requirements

- A. To qualify as an incumbent worker, the individual must:
 - 1. Be employed;
 - 2. Meet the Fair Labor Standards Act for an employer-employee relationship; and
 - 3. Have an established work history with the employer for at least six months. In the event the incumbent worker training is being provided to a cohort of employees, not every employee in the cohort must have an established employment history with the employer as long as a majority of those employees being trained do meet the employment history requirement.

- B. An exception exists when the incumbent worker training is being provided to a cohort of employees. Not every employee in the cohort must have an established employment history with the employer for six months or more, if the majority of those employees being trained meet the employment history requirement.
- C. The LWDB must develop a process for documenting the six-month work-history requirement for Incumbent Worker Training recipients. The contract between the LWDB and the employer must include this as a contract term.
- D. Incumbent workers who are working for the employer, and who are considered underemployed (e.g. workers who would prefer to work full-time, but who are working part-time for economic reasons) may also participate in IWT.
- E. An incumbent worker does not have to meet the eligibility requirements for career and training services for adults and dislocated workers under WIOA Title I-B, unless they are also enrolled as a participant in the WIOA Title I-B Adult and Dislocated Worker Program as a result of receiving other services from the WIOA Title I-B Adult or Dislocated Worker program.
- F. IWT is considered a business service. Individuals who only receive IWT are not included in the WIOA performance indicator calculations. Although participant and performance data on all incumbent workers who only receive IWT is reported to USDOL, the required elements are limited to the demographics information and the elements needed to calculate employment in the 2nd and 4th quarters after exit, median earnings, and credential attainment rate.

.03 Employer Eligibility for Incumbent Worker Training

The LWDB must determine the employer's eligibility for participating in IWT. The following factors are used to help evaluate whether the training would increase the competitiveness of the employees or both the employees and the employer:

- A. The characteristics of the participants in the program (e.g. individuals barriers to employment); and
- B. The relationship to the occupational competitiveness of the employer and the employees;
- C. The LWDB may also consider other factors, including:
 - 1. The number of employees participating in the training;
 - 2. The wage and benefit levels of the employee (at the beginning and anticipated upon the completion of the training);
 - 3. The availability of other employer-provided training and advancement opportunities;
 - 4. Credentials and skills gained as a result of the training;
 - 5. Layoffs avoided as a result of the training;
 - 6. Utilization as part of a larger sector, and/or career pathway strategy; and
 - 7. Employer size.
- D. LWDB policies must be consistent with the state and local plan, as well as will career pathways and sector strategy approaches.

.04 Incumbent Worker Training Funds

- A. The LWDB may reserve up to 20 percent of total adult and dislocated worker allotments for IWT. The 20 percent must only be used for IWT activities that are programmatic in nature, as the administrative activities must be paid out of the LWDB's administrative funds.
- B. Employers participating in IWT must pay the non-federal share of the cost of providing the training to their incumbent workers. Payments may be made through both cash payments and fairly evaluated in-kind contributions. The employer's contribution may include the wages paid to the incumbent worker trainee while the worker is attending training.

LWDBs must develop policies regarding the non-federal share of the cost of IWT.

- C. The LWDB must take into consideration the following factors when establishing the non-federal share:
1. The number of employees participating in the training;
 2. The wage and benefit levels of the employee (at the beginning and anticipated upon the completion of the training); and
 3. The availability of other employer-provided training and advancement opportunities;
- D. The non-federal share depends on the size of the employer and must not be less than:
1. Ten percent of the cost for employers with not more than 50 employees;
 2. Twenty-five percent of the cost for employers with more than 50 employees, but not more than 100 employees; or
 3. Fifty percent of the cost for employers with more than 100 employees.

511 CUSTOMIZED TRAINING

Customized training is designed to meet the specific needs of an employer or a group of employers committed to employing an individual upon the successful completion of the program, for which the employer pays a significant portion of the training, as determined by the LWDB.

.01 Customized Training Requirements

Customized training is generally designed so that participants are trained by a third party for the employer.

- A. Employers providing Customized Training are subject to Section 507.04 (M) of this policy.

- B. Participants must be enrolled in their respective program in the AJC system to participate in customized training.
- C. Customized training participants are not employed by the employer at the start of participation in the customized training.
- D. Employers must apply for customized training funds from the LWDB. Funds will be awarded based on the local availability of WIOA Title I-B funds at the time of the application.
- E. Once the LWDB awards funds, a business has up to one year to complete the approved training program. LWDBs and their business partners are encouraged to conduct, and complete training as soon as is feasible.
- F. The following types of training must not be authorized under the Customized Training Program, due to the availability of training elsewhere:
 - 1. New employee orientation;
 - 2. Soft-skills training including, but not limited to:
 - a. Job search skills;
 - b. Résumé writing; or
 - c. Interviewing techniques.
 - 3. Adult Basic Education (e.g. High School Equivalency (HSE) preparation; or remedial courses in reading, mathematics, or language arts));
 - 4. English for Speakers of Other Languages;
 - 5. Training that relates to human resources functions such as diversity, sexual harassment, and employment terminations.
- G. Customized training is included in the MSG performance accountability measure but excluded from the credential attainment rate.

.02 Employer Cost of Customized Training

Employers are required to pay a significant portion of the cost of customized training, as determined by the LWDB.

- A. The LWDB must take into consideration the following factors when determining the significant portion of the cost of training to be paid by the employer:
 1. The size of the employer; and
 2. Other factors the LWDB determines appropriate, which may include the:
 - a. Number of employees participating in the training;
 - b. Wages and benefit levels of the employees (at the beginning and anticipated upon completion of the training);
 - c. Relation of the training to the occupational competitiveness of the participant; and
 - d. Availability of other employer-provided training and advancement opportunities.
- B. In the case of customized training involving an employer located in multiple local areas in the state, DES will determine the significant portion of the training cost to be paid by the employer.

.03 Customized Training for Employed Workers

Customized Training contracts may be written for eligible employed workers under the following conditions:

- A. The employee is not earning a self-sufficient wage as determined by LWDB policy; and
- B. The training relates to an:
 1. Introduction of new technologies;

2. Introduction to new production or service procedures;
 3. Upgrade to new jobs that require additional skills such as:
 - a. Workplace literacy; or
 - b. Other appropriate purposes identified by the LWDB.
- C. The employed worker would be an existing employee of the business prior to the start of the customized training.

512 CREDENTIALS

Credential attainment may assist youth and adults in leveraging new skills to obtain employment, increase earnings, and compete in the labor market. Arizona recognizes postsecondary credentials or a secondary school diploma.

- A. Training programs must result in a recognized credential to be approved for the Eligible Training Provider List (ETPL). The ETPL consists of programs approved for use by Workforce Innovation and Opportunity Act Title I-B Adult, Dislocated Worker and Youth Programs.
- B. LWDBs must use the [Training Program Credential Checklist](#) (Exhibit 600A) to determine if a particular training program meets the definition of a recognized credential.

.01 Recognized Postsecondary Credentials

Recognized postsecondary credentials are defined as a credential consisting of an industry-recognized certificate or certification, a certificate of completion of an apprenticeship, a license recognized by the State involved or Federal government, or an associate or baccalaureate degree.

- A. A recognized postsecondary credential is awarded in recognition of an individual's attainment of measurable technical or industry/occupation.
- B. Certificates awarded by LWDBs and work readiness certificates are not included in this definition because neither type of certificate is recognized industry-wide, nor documents the measurable technical

or industry/occupation skill necessary to gain employment or advancement within an occupation.

- C. Certificates must recognize technical or industry/occupational skills for the specific industry/occupation rather than general skills related to safety, hygiene, etc., even if such general skills certificates are broadly required for entry-level employment or advancement in employment.
- D. For the WIOA Title I-B programs, graduate degrees are not considered industry recognized credentials for purposes of calculating the credential attainment rate.

.02 Industry-Recognized Credentials

Industry-recognized credentials are awarded in recognition of individual attainment of measurable technical or industry/occupational skills necessary to obtain employment or advance in an industry/occupation.

- A. They are an attestation of qualification or competence issued to an individual by a third party (such as an educational institution or an industry or occupational certifying organization) with the relevant authority or assumed competence to issue such a credential.
- B. Training programs that result in industry-recognized credentials may be listed on the ETPL.

.03 Industry-Recognized Credentials Awarding Organizations and Institutions

- A. The types of organizations and institutions that award industry-recognized credentials include:
 - 1. Arizona Department of Education;
 - 2. An institution of higher learning described in Section 102 of the Higher Education Act (20 USC 1002) that is qualified to participate in the student financial assistance program authorized by title IV of that Act. This includes community colleges, proprietary schools, and all

other institutions of higher learning that are eligible to receive federal student financial aid;

3. An institution of higher learning that is formally controlled, or has been formally sanctioned or chartered, by the governing body of an Indian tribe or tribes;
 4. A professional, industry, or employer organization, such as the National Institute for Automotive Excellence or National Institute for Metalworking Skills, Inc., providing certification, Machining Level 1 credentials, etc., or a product manufacturer or developer providing certifications (e.g., Microsoft Certified IT Professional (MCITP), certified Novell Engineer, Sun Certified Java Programmer, etc.), using a valid and reliable assessment of an individual's knowledge, skills and abilities;
 5. USDOL Employment and Training Administration Office of Apprenticeship and Arizona's Apprenticeship Office;
 6. A public regulatory agency, which awards credentials upon an individual's fulfillment of educational, work experience, or skills attainment as legally necessary for an individual to use an occupational or professional title or to practice an occupation or profession (e.g.; Federal Aviation Administration aviation mechanic license); or
 7. A program that has been approved by the Department of Veterans Affairs to offer educational benefits to veterans and other eligible persons.
 8. Job Corps, which issues certificates for completing career training programs that are based on industry skills standards and certification requirements.
- B. Not all program completion documents issued by these types of organizations and institutions meet the definition of industry-recognized credential, refer to [TEGL 10-16, Change 1](#) and TEN [25-19](#).

.04 Types of Recognized Credentials

Recognized credentials include both secondary and postsecondary credentials. Secondary school diplomas or recognized equivalent (alternate equivalent) (commonly referred to as high school diploma) is one that is recognized by a State and that is included for accountability purposes under the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the Every Student Succeeds Act (ESSA). It signifies that a student has completed the requirements for a high school education.

Recognized credentials include the following:

- A. Educational credentials including diplomas, degrees, and certificates. Credit hours are the building blocks for educational credentials. Types of acceptable educational credentials include the following:
 1. High school diploma;
 2. High School Equivalency (HSE);
 3. Educational certificates;
 - a. Educational certificates must be based on credit hours.
 - b. Educational certificates are awarded after completion of an organized program of study at the postsecondary level, not a single course.
 - c. Educational certificates must be recorded in AJC as Other Recognized Diploma, Degree or Certificate.
 - d. Educational certificates must also be determined adequate to qualify for entry-level employment or advancement in employment.
 - e. Certificates of completion may be educational certificates if they are based on credit hours and awarded for the completion of an organized program of study, not a single course.
 - i. Certificates of completion that do not meet the definition in “e” above, must not be considered as an industry-recognized credential.

- ii. Certificates of completion that are awarded after successful completion of a training program that prepares students to take occupational license and personnel certification examinations must also not be considered as an industry-recognized credential (see Section 512.02 and 512.03 of this chapter).
- 4. Associate's diploma/degree; and
 - 5. Bachelor's diploma/degree.
- B. Industry-Recognized Credentials

1. Occupational certificates include:

- a. Registered Apprenticeship Certificates issued by a Registration Agency, either the state's Apprenticeship Office or the U.S. Department of Labor. For more information on Arizona's Apprenticeship Office, see <https://des.az.gov/services/employment/apprenticeship-home>.
- b. Interim credentials allowed under the RA program which may be developed from an approved set of apprenticeship standards for the occupation. They are a portable recognition of an apprentice's accomplishments and are issued based on recognized components of an apprenticeable occupation as described in [29 CFR § 29.5 \(b\)\(16\)](#).
 - i. Interim credentials are issued by the ETA's Office of Apprenticeship.
 - ii. Attainment of an RAP interim credential is considered a positive outcome on the WIOA Credential Attainment Rate performance indicator.
- c. Career and technical education educational certificates.

2. Occupational Licenses

Occupational licenses are granted by state and federal agencies or regulatory bodies and are required for an individual to work in the

occupation. Examples of occupational licenses include cosmetology licenses, massage licenses, commercial driver's licenses, or nursing licenses (e.g., a Certified Nursing Assistant (CNA) license). For more information, see:

<https://www.careeronestop.org/toolkit/training/find-licenses.aspx>).

Characteristics include that:

- a. Occupational licensure is defined by laws and regulations and are intended to set professional standards and ensure safety and quality;
- b. Time-limited occupational licensure must be renewed based on the meeting of ongoing requirements;
- c. Violations of the terms of the Occupational License may result in legal action;
- d. Completion of a program of study that prepares an individual for an occupational licensure is not a credential;
- e. Occupational licenses may be required in addition to other credentials. The credential for completing the educational program must only be recorded in AJC if the participant successfully received an occupational license, as the license is required to work in the occupation.

3. Occupational Certifications

Occupational certifications (formerly known as personnel certifications) attest that the individual has acquired the necessary knowledge and skill to perform a specific occupation or skill. The certification process is based on a formal study that validates the necessary knowledge and skills that have been assessed and re-affirmed at designated intervals. For example, knowledge and skills may be assessed through examinations that have been determined fair, valid, and reliable and re-certification provided every three years. The certificate is owned by the certification body may be taken away from the verified person for reasons of unethical or incompetent behavior after appropriate due process. Automotive Service

Excellence (ASE) Certification is an example of an Occupational certification. Occupational certifications:

- a. Must be industry-recognized or result in a professional association certification;
- b. Are granted by third party non-governmental agencies, usually associations or businesses;
- c. Are intended to set professional standards for qualifications, such as a certification for a crane operator or a Novell Network Certified Engineer;
- d. Usually require successful completion of an examination or assessment of the individual's knowledge and skills through an examination or assessment provided by a certifying body.
- e. Usually require a set amount of work experience or professional/technical experience; and
- f. Usually require renewal after a certain time period.
- g. Completion of a training program that prepares a participant for an assessment or test that results in an Occupational License or a Personnel Certification is not an industry-recognized credential. The credential must only be recorded under the Outcomes screens in AJC after the participant successfully completes the test and receives his/her certificate or license.

For a list of occupational Certifications and certifying agencies, see: <https://www.careeronestop.org/toolkit/training/find-certifications.aspx?frd=true>.

4. Examples of common certificates that do not meet the definition of a credential include:
 - a. Occupational Safety and Health Administration (OSHA) 10 Hour Course that provides awareness of job-related safety and health hazards.

- b. Work/Career Readiness Certificates (i.e. Arizona Career Readiness Credential);
- c. Completion of an Assistive Technology training program (e.g. screen reading software); or
- d. Completion of Orientation and Mobility Training.

.05 Career Enhancing Attributes

LWDBs are encouraged to approve training programs resulting in industry-recognized credentials with career enhancing attributes:

Four attributes that add value to a credential include:

A. Industry-Recognized

An industry-recognized credential is one that is either developed and offered by, or endorsed by, a nationally-recognized industry association representing a sizeable portion of the industry sector; or a credential that is sought and accepted by companies within an industry sector for the purposes of hiring or recruitment, which may include credentials from vendors of certain products.

B. Stackable

A credential is considered stackable when it is part of a sequence of credentials that can be accumulated over time to build up an individual's qualifications and to help them move along a career pathway or up a career ladder to different and potentially higher paying jobs.

C. Portable

A credential is considered portable when it is recognized and accepted as verification of the qualifications of an individual in other settings; either in other geographic areas, at other educational institutions, or by other industries or employing companies.

D. Accredited

Accreditation helps to ensure that an educational program provided by an institution of higher education meets acceptable levels of quality.

513 CREDENTIAL ATTAINMENT RATE INDICATOR

For the WIOA Title I-B Adult, Dislocated Worker, and Youth Programs the credential attainment rate indicator is the percentage of those participants enrolled in an education or training program (except those in OJT and customized training) who attain a recognized postsecondary credential or a secondary school diploma or its recognized equivalent, during participation in or within one year after exit.

A participant who attained a secondary diploma or its recognized equivalent is included in the percentage of participants who have attained a secondary diploma or its recognized equivalent only if the participant is also employed or enrolled in an education or training program leading to a recognized postsecondary credential within one year after exit.

- A. For the WIOA Title I-B Adult and Dislocated Worker Program, the credential attainment rate only includes those who received training or education (excluding OJT or customized training).
- B. For the WIOA Title I-B Youth Program, all ISY are included in the credential attainment rate since they are attending secondary or postsecondary school. Only OSY who participate in one of the following are included in the indicator:
 1. Occupational Skills Training program element;
 2. Secondary education during participation in the WIOA Title I-B Youth Program; or
 3. Postsecondary education during participation in the Title I-B Youth program.
- C. Credentials may be attained during the program or within one year after exit.
- D. For the numerator, participants who receive a secondary credential and postsecondary credential must be reported only once in the numerator for the credential indicator based on the highest credential attained.

- E. For the denominator, participants who qualify for secondary and postsecondary credential cohorts must be reported only once for the credential indicator.

514 MEASURABLE SKILLS GAIN (MSG) RATE INDICATOR

For the WIOA Title I-B Adult, Dislocated Worker, and Youth programs the MSG is the percentage of participants who, during the program year, are in education or training programs leading to recognized postsecondary credential or employment and who are achieving MSG. MSG is defined as documented academic, technical, occupational or other forms of progress towards a credential or employment.

Depending on the type of education or training program in which the participant is enrolled, documented progress is defined as one of the following:

- A. Documented achievement of at least one Educational Functioning Level (EFL) by a participant who is receiving instruction below the postsecondary education level;
- B. Documented attainment of a secondary school diploma or obtained passing scores on all parts of the Arizona high school equivalency test;
- C. Secondary and postsecondary transcript or report card for an adequate number of credit hours that shows a participant is meeting Arizona's unit academic standards (see MSG Checklist - [Exhibit 500A](#)). Arizona's high school graduation requirements are available at: <https://azsbe.az.gov/resources/graduation-requirements>;
- D. Satisfactory or better progress report towards established milestones, such as completion of an OJT or completion of one year of a RA program or similar milestone, for an employer or training provider who is providing training; or
- E. Successful passage of an exam that is required for a specific occupation or progress in attaining technical or occupational skills as evidenced by trade-related benchmarks, such as knowledge-based exams.

515 INCLUSION IN THE MEASURABLE SKILL GAIN PERFORMANCE ACCOUNTABILITY MEASURE

- A. All WIOA Title I-B Adult and Dislocated Workers who are in a WIOA Title I-B funded education or training program are included in the MSG indicator (which includes funding a training program for a high school equivalency diploma). This includes all participants in work-based training (OJT, and Registered Apprenticeship). This does not include Work Experience (WEX) as WEX is considered an individualized career service, not training.
- B. All WIOA Title I-B ISY are included in the MSG performance accountability measure since they are attending secondary or postsecondary school. Only OSY who are in one of the following are included in the indicator:
 - 1. Occupational Skill Training (Program Element 5);
 - 2. Secondary education during participation in the WIOA Title I-B Program;
 - 3. Title II (Adult Education) during participation in the WIOA Title I-B Youth Program;
 - 4. The Youthbuild Program during participation in the WIOA Title I Youth Program; or
 - 5. Job Corps during participation in the title I-B Youth program.
 - 6. Youth who are participating in Work Experience and OJT training are not included in the MSG performance accountability measure.
- C. Service provider staff must set an MSG type in AJC for all participants who are participating in the Education and Training activities above in A and B during the program year. MSG is a real-time performance measure and is not exit-based. MSG is required for all program years that the participant receives an education or training service. Goals are not required to be set as part of the MSG performance accountability measure; however, goals are required to be included in the participant's ISS or IEP.
- D. Participants are included in the MSG regardless of how long they have participated in the program in the program year. Service provider staff must not delay enrollment or services to participants until a new program

year if the program determines that there is insufficient time to attain the measurable skill gain by the end of the program year.

516 DOCUMENTING PROGRESS FOR TYPES OF MEASURABLE SKILLS GAINS

Depending on the type of MSG required, service provider staff must document progress as follows:

- A. For purposes of determining an increase of at least one EFL *of a participant who is receiving instruction below the postsecondary level* for the MSG indicator, service provider staff may compare the participant's pre-test EFL with the post-test EFL (the tests must have been determined to be suitable for use in the National Reporting System (NRS) for adult education listed at www.nrsweb.org).
 1. The same test and version must be used for both the pre-and post-test. For individuals who have been pre-tested using tests who have now expired, and need to post-test, service provider staff must post-test using the same post-test assessment test.
 2. Youth service providers may use other assessment tools appropriate to the target population as determined by the LWDB except for determining basic skills deficiencies; and
 3. Report an education functioning level gain for participants who exit a program below the postsecondary level and enroll in postsecondary education and training during the program year.
- B. LWDBs must require service providers to use tests determined suitable for the National Reporting System (NRS) by the U.S. Secretary of Education. The most recent list of tests determined suitable for the National Reporting System is available online by clicking on this [link](#).
- C. The Secretary of Department of Education may decide to revoke the approval of these assessments at any time, if this occurs, a broadcast will be issued. NRS updates may be located online at www.nrsweb.org.
- D. For purposes of documenting the attainment of a secondary school diploma or its recognized equivalent, LWDBs may:

1. Accept documentation stating that a participant obtained passing scores on all parts of the Arizona high school equivalency test, or
 2. Accept documentation indicating the participant obtained a diploma or state-recognized equivalent documenting completion of secondary studies or an alternate diploma.
- E. For purposes of documenting *secondary or postsecondary transcript or report card for a sufficient number of credit hours that shows a participant is meeting Arizona's academic standards*, service provider staff may accept documentation through receipt of a secondary transcript or report card for one semester showing that the participant is achieving Arizona's policies for academic standards.
- F. For post-secondary education, this gain must demonstrate a sufficient number of credit hours (a minimum of 12 hours per semester for full-time students or a total of at least 12 hours over the course of two completed consecutive semesters during the program year) that shows a participant is achieving the Arizona's academic standards (or the equivalent for other than credit hour programs).
- G. *Satisfactory or better progress report towards established milestones, such as completion of an OJT or completion of one year of a RA or similar milestone from an employer or training provider who is providing training*, LWDBs must identify appropriate methodologies based upon the nature of service being provided, progress reports must:
1. Document substantive skill development the participant has received;
 2. The gain may be documented by a satisfactory or better progress report from an employer or training provider;
 3. Include training reports on milestones completed as the individual masters the required job skills, or steps to complete an OJT or an apprenticeship program; and
 4. Include increases in pay from newly acquired skills or increased performance.

- H. LWDBs must define “progress” for the definition of training milestones and include acceptable documentation for training milestones for training in local policy.
- I. For purposes of documenting *successful passage of an exam that is required for a particular occupation or progress in attaining technical or occupational skills as evidenced by trade-related benchmarks, such as knowledge-based exams*, LWDBs may accept:
 - 1. Documentation that indicates passage of a component in a RA program;
 - 2. Employer-required knowledge-based exam,
 - 3. Satisfactory attainment of an element on an industry or occupational competency-based assessment, and
 - 4. Other completion tests necessary to obtain the credential.
- J. LWDB policy must include how the service provider staff will determine an exam/element meets the requirements of the skills progression type of MSG.
- K. All participants who are in an education or training program during a program year leading to a recognized credential or employment are in the calculation of this indicator, unless they are excluded from performance for reasons listed in [PB 17-007: Exits Excluded from Accountability Measures](#).
- L. The following participants in education or training are included in the MSG indicator:
 - 1. All participants who are in the WIOA Title I-B Adult and Dislocated Worker-funded training programs, including a secondary school program equivalent, and all participants in work-based training;
 - 2. All ISY since they are attending secondary or postsecondary school; and
 - 3. OSY who are in either:

- a. Occupational skills training;
 - b. Secondary education during participation in the WIOA Title I-B Youth program; or
 - c. Postsecondary education during participation in the Title I-B youth program.
- M. Service provider staff must not record the Arizona Career Readiness Credential, Cardiopulmonary Resuscitation (CPR), First Aid Certificates, Forklift Certification, and WEX as measurable skill gains as they do not meet the definition of any of the MSG types in this section.
- N. Service provider staff must identify the appropriate MSG for participants and ensure accurate recording in AJC.
- O. Documentation related to MSG verification as outlined on the [Measurable Skill Gain Checklist](#) (500A) must be uploaded into AJC or kept in the participant's file.