

ALABAMA WORKFORCE INVESTMENT SYSTEM

Alabama Department of Commerce
Workforce Development Division
401 Adams Avenue
Post Office 304106
Montgomery, Alabama 36130-4106

January 7, 2016

GOVERNOR'S WORKFORCE INNOVATION DIRECTIVE NO. PY2015-07

SUBJECT: *Guidance Related to Pell Grant and Individual Training Account/Individual Referral (ITA/IR) Funding*

1. **Purpose.** This Directive clarifies the application of Pell Grant and Workforce Innovation and Opportunity Act (WIOA) funds for WIOA participants.
2. **Discussion.** Workforce Innovation and Opportunity Act funds are available for tuition, fees, required books, and tools. There are limitations on amounts, which will be paid for these costs.

Questions have been directed to the Workforce Development Division concerning the allocation of Pell Grant and Workforce Innovation and Opportunity Act (WIOA) funds for participants enrolled in WIOA Individual Training Account/Individual Referral (ITA/IR) programs. The following guidance is being provided relating to Pell Grant and ITA/IR funding.

Per Section 134(a)(3)(B) of the WIOA, training services are limited to individuals who are unable to obtain other grant assistance for such services including Federal Pell Grants or require assistance beyond the assistance made available under other grant assistance programs including Federal Pell Grants. (WIOA Section 134(c)(3)(B)(i)(I) and (II)). Per guidance from the Region III Employment and Training Administration (ETA) Office, the local workforce development areas (LWDAs) may want to seek funding from other sources such as 501(a)(3) organizations, philanthropic, etc. as allowed by the WIOA so that WIOA funds supplement other sources of training grants. The WIOA (Section 134(c)(3)(B)(ii)) allows local areas to pay for an eligible individual's training services while a Pell Grant Application is pending, but must appropriately reimburse the WIOA program when the Pell Grant is approved for such participant. WIOA participants may enroll in WIOA-funded training while the participant has a Pell Grant Application pending approval. Upon approval, the training provider must reimburse the amount of the WIOA funds used to pay for the

training costs covered by the Pell Grant upon approval after the WIOA-funded training has begun for the participant. Reimbursement from the WIOA participant for education-related expenses (training costs) such as registration, tuition, required books, fees, and tools for the course of study is not required by the WIOA.

In determining whether an individual requires assistance beyond the assistance made available under other grant assistance programs including Federal Pell Grants, a one-stop operator (or one-stop partner, where appropriate) may take into consideration the full cost of participating in training services including the costs of dependent care, transportation, and other appropriate costs (WIOA Section 134(c)(3)(B)(iii)). The State's WIOA Eligible Training Provider List (ETPL) includes the training costs for each curriculum to include registration, tuition, required books, fees, uniforms, tools, etc. In order to document the need for assistance beyond the assistance made available under other grant assistance programs, including Federal Pell Grants (Section 134(c)(3)(B)(i)(I) and (II)), the Career Center staff should utilize the supportive services section of the IEP/ISS or other available method to fully document the total (training and non-training) costs for each individual participant to attend training to include unmet costs after all funding sources are considered to include other Federal and non-Federal sources.

In determining the costs for attendance and available fund sources to pay for training costs, the disbursement practices of training providers for Pell Grant funds should be taken into consideration. Based on available information, most training providers do not disburse Pell Grant funds for the summer semester. They only make disbursements during the fall and spring semesters. Since WIOA participants are required to attend year around (unless there is an approved break in training), Pell Grant funds are not available during the summer semester, which requires some participants to secure a summer job to assist with the cost of attending class during the summer semester.

If the amount of financial aid available exceeds budgeted needs, then the participant's Pell Grant should be used before WIOA funds are expended for allowable training costs. Due to limits on WIOA funding and increased costs of attending training, available financial resources will rarely, if ever, exceed each participant's cost of attending training.

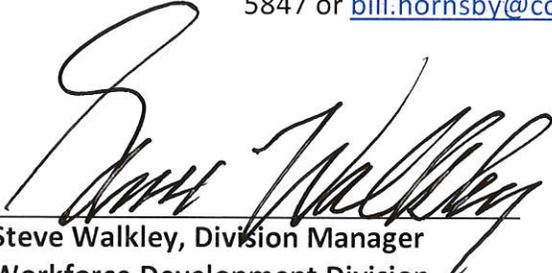
Governor's Workforce Innovation Directive No. PY2015-07

Assuming that the participant's documented needs are greater than available financial aid from all sources, it is the State's policy that training facilities should utilize WIOA funds to cover the cost of tuition, books, registration, fees, uniforms, tools, supplies, etc. required for successful attendance of the participant. Pell Grant funds should be used to cover any costs that exceed WIOA funding. Any remaining Pell Grant funds should be allocated to WIOA participants to assist with education-related expenses such as transportation, food, etc.

This policy is in accordance with the WIOA Sections referenced throughout this policy. Should the final WIOA Implementing Regulations provide any additional clarity, which would help to enhance this policy, it may be revised at that time.

3. Action. Staff responsible for the ITA/IR program should be made aware of and comply with this policy for the WIOA-funded ITA/IR participants enrolled in the local workforce development areas.

4. Contact. Questions regarding this Directive should be referred to Bill Hornsby, Supervisor, Workforce Development Division, State Programs, Planning and Divisional Budget Management Section at (334) 242-5847 or bill.hornsby@commerce.alabama.gov.



Steve Walkley, Division Manager
Workforce Development Division
Alabama Department of Commerce

1/7/2015

Date