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Date: April 11, 2012  
To: Workforce Development Board Directors  
From: Jane Pawasarat, Director   
Bureau of Workforce Training  
Subject: **Workforce Investment Act (WIA) Policy 11-04: Coordination of WIA Training Funds and Tuition Reimbursement**

### Purpose

This policy provides guidance regarding the coordination of WIA funding with the Department of Education Pell Grants, financial aid and other fund sources. In addition, this policy clarifies that tuition or other education-related expenses paid by a participant (or other sources) prior to WIA program registration cannot be reimbursed to the participant (or the educational institution).

### References

WIA legislation, Section 122: 134(d)(4)(B)  
WIA Regulations 20 CFR: Sections 663.310 and 663.320  
WIA Policy Update 04-11 – Clarification of Responsibility for WIA Training Costs

### Background

WIA funding for training is limited to participants who are unable to obtain grant assistance from other sources to pay the cost of training or who require assistance **in addition** to that available from other sources such as Federal Pell Grants. The Federal Pell Grant Program (Higher Education Act of 1965 as amended Section 401), administered by the U.S. Department of Education, provides grants to students attending eligible institutions of higher education to help them pay for their educational costs. Providers serving WIA customers accessing both WIA and Pell Grant resources are required to coordinate funding to eliminate duplicate payments of training costs.

### Policy

WIA service providers shall consider all available sources of funds, including State-funded training funds, Trade Adjustment Assistance, Rehabilitation Act funds, Temporary Assistance for Needy Families, Federal Pell Grants, and other Federal and State funds, to cover the full education and education-related costs for training and supportive services. However, personal loans cannot be considered in paying for education costs since participation in a training program funded under WIA may not be conditioned on applying for or using a loan to help finance training costs. When Pell Grants are made available to WIA participants as part of a post-secondary financial aid package, service providers are to establish coordination procedures with the educational institution's Title IV programs to

ensure that WIA funds are used **in addition** to funds otherwise available under the Higher Education Act. The following guidelines apply when developing financial aid packages for individuals who are potentially eligible for a federal Pell Grant:

#### Application for the Pell Grant

All WIA program participants pursuing training must apply for a federal Pell Grant. Pell Grant eligibility is established by completing the Free Application for Federal Student Aid (FAFSA). The WIA service provider should work with the participant to ensure that the FAFSA application is completed (usually electronically) and submitted to the Federal Processor and that all supporting documentation is completed and submitted to the Financial Aid office of the selected training provider.

#### Determination of full cost of training for an individual

The WIA service provider coordinates available funds for training with the financial aid office of the selected training provider. The Financial Aid office shall determine the full cost of training based on the individual's circumstances. This cost will take into account the estimated costs of tuition, fees, books, supplies, personal expenses, and other education-related expenses.

#### Determination of resources available for training

The WIA service provider, in cooperation with the Financial Aid office, (1) identifies all resources available to support the student, including Pell Grant, WIA and other sources of funding, and (2) compares these resources with the individual's full cost of training to arrive at a shortage/surplus of resources. This determination should focus on the needs of the participant; **simply reducing the amount of WIA funds by the amount of the Pell Grant funds is not permitted** (20 USC 1087uu).

When a Pell Grant is awarded, the WIA service provider must document in the participant's file the educational institution's determination of the participant's training-related financial assistance needs and how WIA and other grants will combine to meet these needs. The documentation must indicate how the combination of funds will allow the participant to successfully complete the agreed upon program. The participant file should also include documentation of the participant's agreement to abide by the service provider's training policies (including the provision of relevant financial aid information).

Section 134(d)(4)(B) of WIA, as well as the WIA regulations at 20 CFR 663.310 refer to the requirement to coordinate WIA funded training with "other grant assistance," such as Pell Grants. These provisions have sometimes been interpreted to mean that veterans or spouses who are eligible for the GI Bill or other forms of Veteran's Administration (VA) funded education or training are required to coordinate their entitlement to those benefits with their eligibility for WIA funded training. In some circumstances, this has been further interpreted to mean that the VA funded training entitlement must be exhausted before the veteran or spouse can be enrolled in WIA funded training. VA benefits for education and training services clearly are not included in the statutory and regulatory category of "other grant assistance." Therefore, veterans and spouses are not required to coordinate their entitlement to those benefits with any concurrent eligibility that they may have for WIA funded training (and therefore, should not preclude them from receiving WIA funded services). Similarly, WIA program operators may not require veterans or spouses to exhaust their entitlement to VA funded training benefits prior to allowing them to enroll in WIA funded training.

### Allowable WIA costs

WIA resources may be used for any allowable WIA cost that supports the individual's full cost of training in an approved WIA-funded program.

### When WIA resources may be used

WIA funds may be used before and/or after Pell Grant funds are in place. A WIA participant may enroll in WIA-funded training while his/her application for a Pell Grant is pending as long as the WIA service provider has made arrangements with the educational institution and the WIA participant regarding allocation of the Pell Grant, if one is subsequently awarded. In this case, the training provider must reimburse the service provider the WIA funds used to underwrite the training for the amount the Pell Grant covers. Since Pell Grants are intended to provide for both tuition and other education-related costs, only the tuition portion is subject to reimbursement. Reimbursement is not required from the portion of Pell Grant disbursed to the WIA participant for education-related expenses. (WIA, sec. 134(d)(4)(B))

### When WIA resources may not be used

In some cases, individuals are already attending school when they become a WIA participant. WIA section 134(d)(4)(A)(ii) provides that adults and dislocated workers must receive certain services before it can be determined that a participant is in need of training services and has the skills and qualifications to successfully participate in the selected training program. **Where tuition, books and other fees for a particular semester have been paid prior to WIA program registration, reimbursement of costs is not allowable.** The below example illustrates a typical situation where tuition costs have been pro-rated. However, this is not allowable.

Date	Event	Comments
9/1/2012	Starts school and tuition is paid in full	\$2,000 for tuition
10/1/2012	Becomes a WIA participant	25% of semester (9/1 – 10/1)
12/31/2012	Completes semester	75% of semester (10/1 – 12/31)
	Reimbursed \$1,500 for tuition	Based on 75% of the cost incurred after registration

### Level of WIA resources

It is anticipated that, in most cases, the combined Pell Grant resources and the WIA resources will not exceed the individual's full cost of training. In this situation, WIA funds may be used to support up to the full cost of training so long as (a) these costs are not already addressed by other resources and (b) the use of WIA funds will not result in an available level of resources that exceeds the individual's full cost of training. However, if WIA funds are used and the later addition of Pell Grant funds results in an available level of resources greater than the individual's full cost of training, the WIA funding must be reduced to ensure that total resources available do not exceed the full cost of training. In this situation, the training provider will refund the appropriate amount of WIA funds to the WIA service provider on behalf of the student and apply the individual's Pell Grant to these costs instead.

### **Action Required**

Policy 11-04 is effective immediately, and applies to new WIA participants. WDBs must review their WIA training policy to ensure compliance with this policy. If necessary, any changes to local policy need to be submitted to your Local Program Liaison as an update to the local plan. WDB's should also review WIA Policy Update 04-11 which provides clarification regarding the responsibility for WIA training costs (i.e., participants who drop out of training or never start the training are not responsible for intangible costs).

### **Questions and Technical Assistance**

If you need additional information regarding this policy, please contact the Local Program Liaison assigned to your area.