

TO: Workforce Investment Board

Date: January 24, 2002

For Action
 For Information
 Meeting Notes

FROM: Planning, Policy Development and Legislation Committee

SUBJECT: Exceptions to the Use of Individual Training Accounts

PROPOSED MOTION: Declare the following two training programs qualified as exceptions to the requirement of the Workforce Investment Act of 1998 (Section 134(d)(4)(G)(i)) that all training services be provided through the use of individual training accounts:

- 1. The Construction/Building Trades Pre-Apprenticeship Program with the Carpenters 46 Northern California Counties Conference Board; and**
- 2. The RN and LVN Program with Merced College.**

DISCUSSION:

The Law -- Exceptions.—Pursuant to the Workforce Investment Act of 1998 Section 134(d)(4)(G)(ii), training services may be provided pursuant to a contract for services in lieu of an individual training account if the requirements of subparagraph 134(d)(4)(F)(i) [which addresses consumer choice requirements] are met and if --

(I) such services are on-the-job training provided by an employer or customized training;

(II) the local board determines there are an insufficient number of eligible providers of training services in the local area involved (such as in a rural area) to accomplish the purposes of a system of individual training accounts; or

(III) the local board determines that there is a training services program of demonstrated effectiveness offered in the local area by a community-based

organization or another private organization to serve special participant populations that face multiple barriers to employment.

The Regulations -- 20 CFR § 663.430 (a) - Contracts for services may be used instead of ITA's only when one of the following three exceptions applies:

(1) When the services provided are on-the-job training (OJT) or customized training;

(2) When the Local Board determines that there are an insufficient number of eligible providers in the local area to accomplish the purpose of a system of ITA's. The Local Plan must describe the process to be used in selecting the providers under a contract for services. This process must include a public comment period for interested providers of at least 30 days;

(3) When the Local Board determines that there is a training services program of demonstrated effectiveness offered in the area by a community-based organization (CBO) or another private organization to serve special participant populations that face multiple barriers to employment, as described in paragraph (b) in this section. The Local Board must develop criteria to be used in determining demonstrated effectiveness, particularly as it applies to the special participant population to be served. The criteria may include:

(i) Financial stability of the organization;

(ii) Demonstrated performance in the delivery of services to hard to serve participant populations through such means as program completion rate; attainment of the skills, certificates or degrees the program is designed to provide; placement after training in unsubsidized employment; and retention in employment; and

(iii) How the specific program relates to the workforce investment needs identified in the local plan.

(b) Under paragraph (a)(3) of this section, special participant populations that face multiple barriers to employment are populations of low-income individuals that are included in one or more of the following categories:

(1) Individuals with substantial language or cultural barriers;

(2) Offenders;

(3) Homeless individuals; and

(4) Other hard-to-serve populations as defined by the Governor.

ATTACHMENTS: None