

TO: Workforce Investment Board

DATE: March 28, 2002

- For Action**
- For Information**
- Meeting Notes**

FROM: Planning, Policy Development and Legislation Committee

SUBJECT: Individual Training Account (ITA) Policy

PROPOSED MOTION(S): Adopt the attached Individual Training Account policy.

DISCUSSION: The policy recommended by the Committee differs from the existing policy (originally approved April 20, 2000 by the Transition Committee of the Merced County Private Industry Council) in three material ways:

- 1. Establishes a “cap” of \$6,000 per ITA but provides for exceptions;**
- 2. Enumerates more completely the types of training-related costs which may be covered by an ITA; and**
- 3. Eliminates the language establishing training priorities (the method for implementing both statutory and locally mandated priorities will be addressed by the Committee if and when the Board declares that funds allocated to a local area for adult employment and training activities under paragraph (2)(A) or (3) of section 133(b) are limited).**

The Law – Section 134(d)(4)(G)(ii) of the Workforce Investment Act of 1998 required that, absent specific conditions, the “normal” mode for delivery of training services shall be via Individual Training Accounts issued and administered through the One-Stop system.

The Regulations – 20 CFR § 663.410 describes an Individual Training Account as an account established on behalf of a participant (Adult or Dislocated Worker) and from which payments for training services are paid. 20 CFR § 663.420 allows that limits to ITA’s may be established in different ways:

(1) There may be a limit for an individual participant that is based on the needs identified in the individual employment plan; or

(2) There may be a policy decision by the Local Board to establish a range of amounts and/or a maximum amount applicable to all ITA's.

Limitations established by Local Board policies must be described in the Local Plan and should not be implemented in a manner that undermines the Act's requirement that training services are provided in a manner that maximizes customer choice in the selection of an eligible training provider. Further, ITA limitations may provide for exceptions to the limitations in individual cases.

An individual may select training that costs more than the maximum amount available for ITAs under a local policy when other sources of funds are available to supplement the ITA. These other sources may include: Pell Grants; scholarships; severance pay; and other sources.

ATTACHMENT(S): Proposed Individual Training Account Policy

Workforce Investment Board of Merced County

Individual Training Account Policy

1. Except as provided in the Workforce Investment Act of 1998 and associated regulations, training services provided to eligible participants shall employ individual training accounts (ITAs) issued through the One-Stop Delivery System.
2. The “Maximum Training Funds Available” on any individual ITA shall not exceed six thousand dollars (\$6,000) without the prior written approval of the Assistant Director of the One-Stop Operator.
3. In no event shall an ITA carry a time or dollar balance after the program of training is either completed or terminated.
4. The maximum length of training under a single ITA shall be two years.
5. No more than three (3) ITAs may be issued to a participant within a two year period.
6. An ITA shall cover the cost of training including tuition and other training related items supplied by the training provider (e.g., books, training materials, registration fees, supplies, uniforms, DMV printouts, license fees, physical examinations, immunizations, health fees and insurance) but will not include or consider the cost of supportive services. Supportive services, if appropriate, shall be delivered pursuant to the Board’s Supportive Services Policy.