



MASSACHUSETTS

Workforce Investment Act

WIA Communication No. 03-26

Policy **Information**

To: Chief Elected Officials
Workforce Investment Board Chairs
Workforce Investment Board Directors
Title I Administrators
Career Center Directors
Title I Fiscal Officers
DET Regional Directors
DET Area Directors

cc: WIA State Partners

From: Jane Edmonds, Director
Department of Workforce Development

Date: November 13, 2003

Subject: Massachusetts Individual Training Account System

The Workforce Investment Act promotes a market-based approach to adult training services by requiring that a majority of these services be provided through individual training accounts (ITAs) issued by One-Stop Career Centers. The intent is to offer Career Center customers who are in need of training services maximum choice in selecting a qualified provider and sufficient data regarding provider and program performance to make an informed choice. WIA offers states and local boards a great deal of flexibility regarding ITA system design and implementation.

In Massachusetts, the Individual Training Account system is designed to recognize the variation in customer demographics and needs, number and type of training providers, and resource allocations that exist across sixteen workforce investment areas of the state. While supporting local decision-making which is based upon a working knowledge of this variation, this system intends to reflect a statewide commitment to informed customer choice and a consistent level of high quality service to customers.

Purpose: To communicate statewide policy regarding Individual Training Accounts for customers being served through use of WIA Title I funds.

This policy provides definitions of the key elements of the Commonwealth of Massachusetts ITA System. Elements defined include services to be provided through the use of ITAs, customer eligibility, customer choice, ITA mechanics, and ITA exclusions.

SECTION I. SERVICES TO BE PROVIDED THROUGH THE USE OF INDIVIDUAL TRAINING ACCOUNTS

Background: The Workforce Investment Act indicates, with the exceptions noted in Sec. 134 (d)(4)(G)(ii), that training services shall be provided through the use of individual training accounts.

Training services as defined in Sec. 134 (d)(4)(D) of the law may include: (i) occupational skills training; (ii) on-the-job training; (iii) programs that combine workplace training with related instruction, which may include cooperative education programs; (iv) training programs operated by the private sector; (v) skill upgrading and retraining; (vi) entrepreneurial training; (vii) job readiness training; (viii) adult education and literacy activities provided in combination with services described in any of clauses (i) through (vii); and (ix) customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training.

Policy: Local workforce investment boards will determine the services to be provided through the use of individual training accounts within their workforce investment areas. Such determinations should be made based on the services offered through the local provider pool and other resources, total funding availability, and the needs of individual customers. Determinations made by local workforce investment boards regarding the services to be provided through the use of individual training accounts within their workforce investment area shall be clearly indicated in the area's local plan.

One-Stop Career Centers, under the policy guidance of local workforce investment boards, are responsible for determining the service content of each individual training account based on the needs of the individual customer.

Individual training accounts should be inclusive of the cost of books, fees, equipment, and other training support services, within the parameters of the law, that enable customers to successfully complete an employment-related training or education program.

SECTION II. CUSTOMER ELIGIBILITY

PART A. Customer ITA Eligibility Criteria

Policy: For a career center customer to be determined eligible for an ITA, the following criteria must be met:

1. The customer has met the eligibility requirements for intensive services, has received at least one intensive service as described in Sec. 134 (d)(3)(C) of the Law, and has been determined to be unable to obtain or retain employment that leads to self-sufficiency;
2. The training choice is appropriate based on the counseling assessment;
3. Labor market data indicates that jobs exist in an occupational area related to the training choice;
4. The customer meets the provider's entrance requirements, and/or possesses the skills required to complete the training program;
5. The customer has been determined to be eligible for training services based upon prioritization that may be defined by a local area as a result of limited funding;
6. Pell grants and any other forms of grant assistance for which the customer may be eligible have been taken into consideration and applied when available toward the cost of the individual's training;
7. Sufficient funds are identified to allow the customer to complete training.

Factors leading to the determination of a customer's eligibility to obtain an ITA must be clearly documented in the customer's client file.

PART B. Provision of Services through an ITA to Customers Residing Outside of a Local Workforce Investment Board's Defined Workforce Investment Area

Background: Congruent with the notions of maximizing customer choice and of instituting a "no wrong door" approach to service delivery, the Workforce Investment Act allows customers to seek services at any One-Stop Career Center within a state. It is the intention of this policy to accommodate customers' ability to travel to any One-Stop Center in the Commonwealth to seek services.

Policy: The local workforce investment board is responsible for determining policy related to prioritization of services when funding is determined to be limited. Pursuant to SECTION II. CUSTOMER ELIGIBILITY, PART A Customer ITA Eligibility Criteria of this WIA Communication, a career center customer must be determined eligible for training services based upon this locally determined prioritization. However, residency may not be used as the sole criterion to determine whether an individual may obtain training services through the use of an ITA.

SECTION III. CUSTOMER CHOICE

Background: Customer choice is one of the underlying principles of a market-based training and education system, and is specifically cited in provisions pertaining to employment-related training and education services.

20 CFR 663.410 of the Final Rule states that "the ITA is established on behalf of a participant. WIA Title I adult and dislocated workers purchase training services from eligible providers they select in consultation with the case manager." 20 CFR 663.440 indicates that training services must be provided in a manner that maximizes informed consumer choice in selecting an eligible provider. 20 CFR 663.555 (c) (1) of the Final Rules states that "The State list must be made available to individuals who have been determined eligible for training services under 663.310" and (2) "The State list must

also be made available to customers whose training is supported by other One-Stop partners”.

Policy: Customers who seek training and education services via an individual training account are first required to complete an evaluation or assessment with a One-Stop Career Center counselor to determine training appropriateness and readiness. Counselors perform a critical preliminary role in identifying ITA candidates and in promoting consumer choice.

To maximize consumer choice in selecting a service provider, both the Career Center staff and non-staff-assisted resources must provide as much information regarding program content and provider performance as possible.

The State List of Eligible Providers must be made available to all customers who are eligible to receive training services through the use of an ITA. Customers who have been determined eligible for an ITA may, after consultation with a case manager, select any provider that appears on the State List of Eligible Providers.

SECTION IV. INDIVIDUAL TRAINING ACCOUNT MECHANICS

PART A. ITA Limitations

20 CFR 663.420 of the Final Rule indicates that the state or local board may impose limits on ITAs, such as limitations on the dollar amount and/or duration. There may be a limit for an individual based upon needs identified in the individual employment plan or a decision by the state or local board to establish a range of amounts and/or a maximum amount applicable to all ITAs.

In Massachusetts, due to disparities in provider pool size, training costs, and funding allocations across the state, local boards are best positioned to determine any ITA dollar limitations. In establishing minimum levels for duration/intensity of training, local areas should take Section 30 of Massachusetts Unemployment Law into consideration.

Policy: Local boards will be responsible for establishing ITA limitations on dollar amounts, duration, and number allowable per customer.

PART B. Payment Mechanism

Background: WIA provides states with flexibility in determining the ITA payment mechanism -- the method by which funds for training will be transferred to the provider on the customer's behalf. The payment mechanism effectively defines what an individual training account represents to the customer. Examples of payment methodologies cited in regulation include: 1) an electronic transfer of funds, (or “debit” system) established between financial institutions on an account basis, and 2) a voucher issued by One-Stop Career Centers to customers or training providers redeemable for the cost of training.

Policy: Due to differences in fiscal agency and accounting practices, determination of the payment mechanism will be a local decision.

SECTION V. ITA EXCLUSIONS

Background: The Workforce Investment Act allows three exceptions to the use of ITAs for provision of training and education services. WIA Section 134(4)(G)(ii) describes these exceptions as follows:

- (I) 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. Special participant populations are defined as low-income individuals possessing one or more of the following characteristics: substantial language or cultural barriers; offenders; homeless individuals; other hard-to-serve populations as defined by the Governor.

Policy: Local flexibility will be allowed in defining additional special population characteristics, based on local area demographics and existing resources.

When determining the demonstrated effectiveness of a training program offered in a local area by a community-based organization or another private organization to serve a special participant population, at minimum, the local workforce investment board must take into consideration the following criteria:

- ❖ Financial stability of the organization
- ❖ Measures appropriate to the program which may include program completion rate; attainment of skills, certificates or degrees the program is designed to provide; placement after training in unsubsidized employment, and retention in employment
- ❖ The relevance of the specific program to the workforce investment needs of the local area.

Action

Required: Review this document and use during local planning process and for the implementation of the Individual Training Account system.

Effective: Immediately.

References: Workforce Investment Act of 1998, Section 134
WIA Interim Final Rule (20 CFR 663.410, 20 CFR 663.420, 20 CFR 663.585)

Inquiries: Any questions related to this correspondence should be directed to Rosemary Graham at (617) 626-5692.

Filing: Please file this in your notebook of previously issued WIA Communication Series Issuances as #03-26.