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Category:	Workforce Investment Act
Subject:	Individual Training Accounts
Source:	State and Federal
Revise/Replace:	N/A
Contact:	Director of Employment and Training Programs
Distribution:	Workforce Investment Boards, Directors and Administrative Staff, Employment and Training Staff
Colorado One-Stop System Policy Guidance Letter#:	00-15-WIA1
Date:	June 16, 2000

**I. REFERENCE(S):**

Workforce Investment Act of 1998 effective August 7, 1998, Section 134 interim final regulations 20 CFR subpart D, published in the Federal Register, Vol. 64, No. 72.

**II. PURPOSE:**

The purpose of this Policy Guidance Letter (PGL) is to provide guidance to each of the Workforce Investment Boards (WIBs) and each Workforce Center in the development of a local policy on Individual Training Accounts (ITAs).

**III. BACKGROUND:**

The Workforce Investment Act (WIA) stipulates that, with limited exceptions, training services provided to adults and dislocated workers shall be delivered using ITAs. The exceptions are: on-the-job training customized training and other determinations agreed upon by the local WIB in compliance with section 134(d) 4(G). Training services must be selected from the Statewide certified eligible provider list, (section 122 and CFR ' 663.500) and provided through the One-Stop delivery system.

**IV. POLICY/ACTION:**

This PGL provides the local WIBs guidance on developing an ITA policy, in written form and effective July 1, 2000. While local policies may differ, they must comply with the requirements set forth in the WIA and those stated in this PGL.

**V. IMPLEMENTATION DATE:**

July 1, 2000.

**VI. INQUIRIES:**

Please direct all inquiries to your State Program Support Representative at the Colorado Department of Labor and Employment, Division of Employment and Training.

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Robert D. Hale, Director  
Division of Employment & Training

# STATE POLICY FOR ADMINISTRATION OF INDIVIDUAL TRAINING ACCOUNTS

## I. OVERVIEW

### Individual Training Accounts (ITAs)

The Workforce Investment Act (WIA) states that, "Training services...shall be provided in a manner that maximizes consumer choice in the selection of an eligible provider of such services." (Section 134(F) of WIA)

To enable the participant to make a responsible and informed choice about where best to receive training, WIA uses three mechanisms:

- ! Individual Training Accounts;
- ! A statewide list of eligible training providers;
- ! Consumer information regarding training providers.

### Coordination with Other Grant Assistance

WIA requires that training funds be coordinated with other grant sources for training such as the Pell Grant. (Section 134(d)(4)(B))

Additional guidance may be found as follows:

- ! Workforce Investment Act of 1998
  - Title One, Section 134(d)(4)(F) Consumer Choice Requirements
  - Title One; Section 134(d)(4)(G) Individual Training Accounts
  
- ! Interim Federal Regulations
  - 20 CFR ' 663.320 Coordination with other Grant Assistance
  - 20 CFR ' 663.400-663.440 Individual Training Accounts

## A. ITAs

The WIA directs that training services (note limited exceptions, page 6 of this policy) are to be provided using ITAs and that eligible individuals shall receive ITAs through the One-Stop delivery system (section 134(G) of the WIA). The intent of the ITA is to augment the quality of skills training, to meet the needs of both employers and job seekers alike.

ITAs are funded with adult and dislocated worker funds authorized under Title 1 of the WIA. ITAs pay for training in demand occupations as defined by the local WIB. The local WIBs, in partnership with the State of Colorado identify training providers whose performance qualifies them to receive WIA funds to train adults and dislocated workers. ' 663.500

Only those training entities that are on the State distributed list of eligible training providers are able to redeem ITAs for payment. Payments may be made in a variety of ways, including the electronic transfer of funds through financial institutions, vouchers, or incrementally, through payment of a portion of the costs at different points in the training course. ' 663.410 (WIA Section 134(d)(4)(G)

## **B. Consumer Choice**

Training services, whether accessed by ITAs or under contract, must be provided in a manner that maximizes informed consumer choice in selecting an eligible training service provider in accordance with the goals and objectives outlined in the client's individual employment plan. Workforce Center (WC) staff assists the clients with career choices; however, the ultimate decision rests with the client. To what extent the client has the final decision in the selection of training services may vary among local Workforce Investment Areas.

## **C. Coordination of ITAs with other Grant Assistance**

The WIA limits funding for training to individuals who are (a) unable to obtain grant assistance from other sources to pay the costs of their training; or (b) require assistance beyond that available under grant assistance from other sources to pay the costs of such training (section 134(d)(4)(B). Program operators and training providers must coordinate available funds to pay for training and avoid duplication of payments.

The exact mix of funds should be determined based on the availability of funding for either training costs and/or supportive services, with the goal of ensuring that the costs of the training program the participant selects are fully paid and that necessary supportive services are available so that the training is completed successfully.

In the reauthorization of the Pell Grant program, it is stated that the Pell Grant funds should be used after other sources of training funds, including WIA funds. The Pell Grant reauthorization was enacted after the passage of the WIA and has precedence.

## **II. ITA Policy Development**

ITAs are the primary method for the payment of occupational skills training leading to a degree, employer recognized skill certification, or a training regimen that provides individuals with additional skills or competencies recognized by employers. 20 CFR ' 663.508

Creating a system of skill standards requires collaboration between relevant groups involved in workforce development. The WIA does not define employer recognized skills or competencies. Local WIBs, in partnership with local employers and/or other interested groups may define employer-recognized competencies leading to a recognized certification of the workforce skill(s).

Skill competencies should capture current principal work functions but also those work functions and those capabilities that represent the imminent needs of the workplace. Additionally, the proposed competencies should reflect the participant's needs to succeed in the workplace.

**A. Local policy should address the following:**

- ! Guidelines for the coordination of available Federal, State, and local resources to meet the training and education-related costs of services (includes HEA Title IV). This includes documenting how other sources of funding were sought first (e.g., TANF, one-stop programs other than WIA, etc.). Resources may include wages earned by the participant through employment while attending training.
- ! The procedure Workforce Center (WC) staff will use to record the participant training-related financial assistance needs, the methodology of how the needs were determined and the mix of funding assistance in the participant's record.
- ! Procedures to authorize the release of a participant's financial aid information by the post-secondary institution. This includes requiring the educational institution's financial aid officer to inform the local WC staff of the amounts and disposition of any HEA, Title IV awards and other types of financial aid to each participant awarded after the enrollment of the participant, as part of an ongoing information sharing process.
- ! An assurance that participants are not required to apply for or access student loans or incur personal debt as a condition of participation. However, the participant may incur personal debt when agreed to and after receiving counseling regarding the responsibilities associated with the indebtedness, including loan repayment. Such counseling must be documented in the participant's record.
- ! The process by which participants will receive assessment, counseling, and an individual employment plan through intensive services before selecting a training program. Programs of training services are restricted to occupations in demand. It is anticipated that the WCs will provide current and projected labor market information to clients, ensuring relevant data and trained staff to provide labor market analysis.
- ! How the participant will have access to the list of eligible providers through the One-Stop system. Clients must be able to access WIA training services from any eligible training provider on the State list. (Refer to PGL#00-08-WIA1 – Eligible Training Provider List and Consumer Report Card). CDLE intends to publish the list of eligible providers on its Internet website, but local areas may prefer to use additional media for the participant's convenience.
- ! Internal procedure for the issuance of an ITA, that identifies the type of document or form to be used, required signatures and staff authorized to issue the ITAs. In addition to tuition cost, does the ITA pay for books, fees, equipment or other education materials? Are there are limitations on the amount of the ITA? If so, what is the basis? If payments are made incrementally, will factors such as enrollment, program completion, continued attendance, be considered? Are ITAs issued for a single term, semester, and/or as renewals for longer-term training? How will “unused” money in an ITA account be utilized?
- ! Criteria established by the local WIB defining skill competencies recognized by employers or a training regimen that provides individuals with additional skills or competencies generally recognized by employers. 20 CFR ' 663.508
- ! Describe the monitoring of the local ITA system.

**B. Limited Exceptions to the use of ITAs (' 663.430):**

Contracts for services may be used instead of ITAs only when one of the following three exceptions apply:

1. When the services provided are on-the-job (OJT) or customized training.
2. The local WIB determines that there are an insufficient number of eligible providers of training services in the local area to accomplish the purposes of the system of ITAs;
3. The local WIB 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 as defined in Section 134(d)(4)(G)(iv) of the WIA, that face multiple barriers to employment, included in one or more of the following categories:
  1. individuals with substantial language or cultural barriers;
  2. offenders;
  3. homeless individuals; or
  4. other hard to serve population as defined by the local WIB.

The local WIB must establish criteria to be used in determining demonstrated effectiveness offered by the CBO or other private organization, particularly, as it applies to the special participant population to be served. The criteria may include, but are not limited to:

- (A) Financial stability of the organization;
- (B) Demonstrated performance in measures appropriate to the program including 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;
- (C) The relevance of the specific program to the workforce investment needs identified in the local plan.
- (D) Limitations on the amount of an ITA and the criteria validating the reasonableness of costs.