

Implementation of Individual Training Account Policies Under the Workforce Investment Act: Early Information from Local Areas

EXECUTIVE SUMMARY

The Workforce Investment Act of 1998 (WIA), which replaced the Job Training Partnership Act, is intended to reform the nation's workforce development system and devolves many policy decisions to the state and local levels. One of the major changes under the new system is that WIA-funded training services must generally be paid for through vouchers called Individual Training Accounts or ITAs. Because many of the decisions about eligibility and priority for training services are left to local workforce investment areas, policies have the potential to vary widely by locality. Local areas are currently at various stages of policy development and implementation. This preliminary report is the first stage of an on-going effort by CLASP to monitor implementation of ITAs. The report provides an overview of the requirements of the law related to training services and early examples of ITA policies that have been developed in local workforce investment areas. The paper examines how local areas have chosen to make policy determinations in three areas: eligibility for training services, priority for training services, and limitations on ITAs. In preparing this report we reviewed the most current local WIA plans and ITA policies available to us from 76 local workforce investment areas as of February 2001.

ELIGIBILITY FOR TRAINING SERVICES

In many local areas it appears that caseworkers will play an important role in determining eligibility for ITAs and will have significant discretion in doing so. Most local plans simply state the federal statutory requirement that training services will be provided after interview, evaluation, assessment and/or case management. However, some local policy documents provide additional details about the process that will be entailed in gaining access to and approval for an ITA.

For example, the **Atlanta** Regional Workforce Board's sample ITA policy for its five local WIBs suggests the following additional requirements, which focus upon the characteristics of the training:

- Training must result in a self-sufficiency wage without the aid of public assistance
- Training must be at least 12-quarter hours per week to accommodate Unemployment Insurance requirements
- Training must generally be within a reasonable commute of the local area
- ITA policies will apply to Pell/HOPE funds

- ITAs may be used for training-related expenses

The city of **Baltimore**'s policy appears to require substantial work by the individual attempting access training. Individuals are required to complete the following steps in completing applications for training:

- Attend an in-depth ITA orientation workshop
- Receive an application packet and justify that the chosen career has high growth projections
- Research the career choice and compare training providers
- Conduct interviews with providers, graduates, and persons working in field

Applications with an 80 percent or higher rating are then approved for training.

PRIORITY FOR TRAINING SERVICES

Many local plans merely restate the federal requirement that if it is determined that funds are limited, priority for training services will be given to low-income individuals and public assistance recipients. However, some local policies also specify criteria for applying priorities.

For example, the policy in **Montgomery County**, Maryland (in the greater Washington, D.C. area) utilizes a "most in need-most likely to benefit approach" which appears to focus upon barriers of individuals attempting to access training.

Most in need criteria include:

- Lack of a high school diploma
- Disabilities
- Multiple job losses in the past year
- Being age 40 or older
- Limited English proficiency

Most likely to benefit criteria include:

- Being identified for early intervention
- Being likely to benefit from "value added" training that is brief, readily available and cost effective

The city of **Philadelphia**'s policy focuses on income levels and establishes that individuals will receive priority for training services in the following order:

- Those receiving TANF or other supplemental public supports
- Those who fall below the Lower Living Standard Income Level (\$29,390 for a family of four in 2000)

- Those who earn less than 75 percent of the Philadelphia Self-Sufficiency Standard
- Those who earn 76 to 99 percent of the Philadelphia Self-Sufficiency Standard

LIMITATIONS ON ITAS

While both state and local boards have the authority to set limitations on the amounts and durations of ITAs, most states have left decisions about ITA limitations to local boards. Of the 76 local areas from which we received plans and policy documents, only 25 provided specific information on the ranges and limitations on ITAs. The caps on dollar amounts established by local WIBs from which we received information range from \$1,000 to \$10,000, with some boards setting different caps for different types of training. Maximum durations established by the WIBs range from six months to two years and also often depend upon the type of training.

FUTURE MONITORING

Although at this early stage there do not appear to be any clear trends in the way local areas have chosen to structure ITA policies, we expect to see further advancements in the both the development and implementation of ITA policies in the coming months. As local areas begin establishing ITAs and as performance measurement data becomes available, our understanding of the impact of ITAs on low-income individuals' access to training services should be enhanced.