

2004



Individual Learning Accounts

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BACKGROUND

The competition for skilled workers is driving the need for continuous learning and a capacity for ongoing training and career development. As job and career demands evolve rapidly, training options must be flexible to meet individual needs. Limited interventions during times of restructuring and emergency training do not address the necessity for ongoing long-term training and employee development. ILAs could fill this gap. They provide a perfect vehicle for supporting training customized to the specific skill requirements of the individual and strategic human resources development goals of the agency.

ILAs generate a partnership between managers and their employees to design and fulfill employees' long-term career objectives. They can be used to obtain the continuous learning necessary for an individual to enhance his/her overall professional development and, therefore, can be used as a recruitment and retention incentive. It is also an opportunity for managers to have more satisfied and highly trained employees to obtain the organization's long-term objectives. ILAs can focus individual employee responsibility on training outcomes and thus organizational performance improvement.

WHO SHOULD USE THIS GUIDANCE?

This guidance is intended to help Federal managers and human resources professionals understand what an Individual Learning Account is, and how it can be used strategically as a flexible learning tool to develop Federal employees. ILAs offer unlimited opportunities for customization of learning to meet organizational goals. The examples of ILAs in this guidance demonstrate how existing human resources flexibilities can be used to provide a more dynamic approach to continuous learning.

WHAT IS AN ILA AND HOW DOES IT WORK?

OVERVIEW AND STRATEGY

Overview

An ILA is a specified amount of resources such as dollars, hours, or learning technology tools (i.e., access to the internet, use of government computers away from the office, etc.), or a combination of the three, that are set aside for an individual employee to use for his or her learning and development.

This 21st Century ILA tool addresses the changing nature of learning and employee development. The use of ILAs moves agencies' focus from a one-time learning event to continuous learning; from required training to strategic workforce development; and integrates resources for training with balancing work and learning time.

The accounts may be centrally designed and universally applied across the organization, or decentralized to allow individual components the flexibility to create accounts that target their specific skill gap needs. ILAs can benefit both management and employees. They improve organizational performance through targeting employees' specific learning needs and involving employees in their own development.

ILA Strategy

ILAs

- provide employees with flexible learning opportunities, and put the responsibility for learning in the hands of the learner;
- complement current agency training activities and workforce development programs;
- improve organizational performance and meet specific agency performance goals;
- increase employee access to and use of emerging learning technology;
- support employee efforts to acquire skills and learning needed to succeed in specific occupations and professions; and,
- support employee continuous learning.

WHAT ARE THE BENEFITS OF ILAs?

Management

- Foster partnership between managers and employees resulting in increased productivity, morale and retention rates.
- Maximize flexibility in the design of ILA programs to address strategic organizational goals.
- Promote goodwill by demonstrating that management is committed to employee development.

Employees

- Involvement and responsibility in directing continuous learning efforts and career development.
- Awareness of the varied learning opportunities available to them.
- Tailor learning and development to their individual needs, thereby gaining necessary skills to allow them to advance in their careers.

HOW DO YOU IMPLEMENT AN EFFECTIVE ILA PROGRAM?

Based on the pilot results, agencies identified key components that are critical to the successful implementation of ILAs. An agency ILA implementation plan should include, but is not limited to:

- designation of official(s) with authority to determine and approve ILAs;
- the major purpose of the ILA as it relates to agency strategic planning and workforce development, including results intended, performance objectives, and measures for success;
- the scope of the ILA and how it will be administered, including participating agency program(s), numbers and kinds of employees covered, resources the agency contributes, and expectations about employee contributions;
- collective bargaining unit involvement in ILA design and implementation;
- a strategy to communicate the agency's ILA plan to the workforce;

- criteria that participating employees must meet to have access to/receive the ILA and procedures for their use;
- a system for selecting employees to receive ILA resources that ensures fair and equitable treatment;
- requirements for continued service agreements, if warranted;
- regular assessment and design modification, if warranted, of the ILA program and,
- records of ILA use and results to measure the impact on the agency, and making such records available for review upon OPM's request. These records should include:
 - a. An assessment of ILA results. How well did the ILA accomplish its intended purpose, meet established performance measures, and contribute to a positive change in workforce performance?
 - b. A description of numbers and types of employees covered; staff time dedicated to the administration of the ILA; number of employees who participated; types and kinds of learning activities pursued by employees; agency resource contributions; and employees' contributions in money and/or personal time.

WHO IS ELIGIBLE?

With the exception of Schedule C appointees and uniform personnel in the U.S. Department of Defense, an agency may establish ILAs that include any executive branch Federal employee, including career, career conditional, part time, temporary, or excepted service employees in professional, trade, technical, clerical, administrative, or management positions.

COMMONLY ASKED QUESTIONS

Are agencies required to establish ILAs?

No. Implementation is voluntary.

Will OPM assist agencies in implementing ILAs?

Yes. OPM, along with the cadre of ILA pilot agency coordinators, can provide technical and consultative assistance to agencies in the design and implementation of ILAs. In addition, OPM is planning an ILA forum to bring agencies together to discuss implementation strategies and lessons learned from the pilots.

What is the role of line managers in implementing ILAs?

First and foremost, line managers can “champion” the ILA initiative by communicating a consistent message of support to their staff. In addition, managers can serve as mentors to their employees by assisting them to identify ILA activities that support the organization’s strategic goals, assessing the impact on their performance, and coaching them through completion. Finally, since managers will be working directly with employees, they should be able to recognize any issues with the ILA program and recommend changes to senior management.

What are some ways that managers can increase employees’ awareness of how important it is to update their skills by utilizing ILAs?

Managers can communicate the connection between the organization’s strategic goals, and how their employees’ current and future skills will assist in the achievement of those goals. In addition, the use of ILAs promotes the concept of continuous learning, which is critical in today’s rapidly changing workplace. Therefore, managers can discuss with their employees the link between continuous learning, the competitiveness of the workplace today, and the future skills necessary for them to advance in their careers.

What is the role of employees in implementing ILAs?

The employees’ role is to be knowledgeable of the ILA and what it offers; determine how they can use it to enhance their personal and professional skills; and be accountable for their development and the resources provided by the organization.

Will there be additional funds allocated to agencies to implement ILAs?

No. To the extent permitted by existing law, ILAs may be established with the funds allocated for employee training.

Can an agency roll appropriated funds over from one fiscal year to another to fund their ILAs?

There have not been any changes to appropriation law. Absent specific authority, appropriation law requires monies appropriated for a given fiscal year be expended in that fiscal year [31 USC sec. 1502].

What measures can be used to determine the effectiveness of ILAs?

Methods for measuring ILA effectiveness are varied and dependent on the objectives established for the ILA program. There are generally two basic types of performance measures. These are in-process indicators and outcome indicators. In-process indicators tell if the plan is on course. They track such things as number of employees trained, number of training courses completed or number of hours employees used for the ILA. For example, an agency participating in the ILA pilot provided 24 hours of official time to employees to participate in developmental activities. Consequently, the ILA Coordinator tracked the hours staff used each pay period as an in-process indicator, and periodically notified management of progress.

Outcome indicators contain measures of service or performance results. These measure such things as an increase in employee and/or customer satisfaction, increase in employee job performance and/or increase in organizational performance. Outcome indicators may require prolonged periods of measurement and multiple types and levels of measurement methods to include surveys, customer and employee feedback tools, training impact measures, and return on investment analysis. For example, an ILA objective to provide training and development to increase the warrant authority for all procurement staff might use the number of staff who pass the warrant test as a measure.

Where can I find more information about ILAs?

Description of agency pilot ILAs can be found at www.opm.gov/hrd/lead/ilaspra.htm.

The report on the results of the ILA Pilot Initiative can be found at www.opm.gov/hrd/lead/ilarpt.htm.

Appendix A: Examples of Individual Learning Accounts

ILAs may be implemented to meet general or specific agency needs. For example an ILA could be:

- limited to employees in a specific office or program area, e.g., the employees in the administrative support function in a division, or universally provided to all employees;
- established to target specific skill gaps that have been identified through agency analysis of the workforce, e.g., technology or leadership skills;
- established for employees in low skill, low paying jobs in order to build competencies and improve their competitiveness in the Federal labor pool;
- established to give employees more access to, and increase the use of learning technology, e.g., access to the Internet or use of a computer to accomplish learning objectives;
- funded annually for education that meets learning needs identified in employees' competency-based individual development plans;
- designated to provide official time for learning activities related to improving employees' performance, e.g., a specific number of hours each month, or increased access to subject matter experts for coaching and mentoring;
- established to maximize developmental assignments, such as rotational assignments, intergovernmental assignments, details to other agencies, and individual learning assignments;
- established for employees needing professional credentials, and cover some or all of the costs of job-related training to prepare for exams and also provide employees a designated amount of time to prepare for exams.

APPENDICES

Appendix B: Existing Title 5 flexibilities & allowable training expenses

TITLE 5 TRAINING LAW FLEXIBILITIES

- Agencies may provide employees any training or education that improves their performance or the performance of the organization and assists in achieving the agency's mission and performance goals. (5 U.S.C. 4101)
- Agencies may pay for education leading to an academic degree in order to improve organizational performance in areas of critical skill shortages. Merit system principles apply to selecting candidates for academic degree training. (5 U.S.C. 4107)
- Agencies may share the costs of training and education with employees and may reimburse employees for all or part of the costs of successfully completed training and education. (5 U.S.C. 4109)
- Agencies may procure and pay for training or education from the source that best meets their needs with no distinction made between Government and non-Government sources. (5 U.S.C. 4109)
- Agencies can determine when continued service agreements are necessary to protect the Government's investment and may apply these agreements to Government or to non-Government training. (5 U.S.C. 4108)

TRAINING EXPENSES ALLOWABLE UNDER 5 U.S.C. 4109(a)(2)

- Tuition and matriculation fees, including fees for online courses.
- Library and laboratory services, including fees for online services and databases.
- Purchase or rental of books, materials, and supplies, including computers, software, CD ROMS and electronic learning material, including adaptive equipment for persons with disabilities.
- Services or facilities directly related to training employees, including readers for the blind, tutoring, counseling directly related to enrollment in learning activities, and examinations to determine level of proficiency and level of training needed.
- Travel and expenses including parking fees and costs for attending training that takes place outside the employee's duty station.

- Membership fees if the fee is a necessary cost directly related to the training itself or if payment of the fee is a condition precedent to admission to training.

Report to the OPM Director, Individual Learning Account Pilot Initiative: *A Learning Tool for the 21st Century*
<http://www.opm.gov/hrd/lead/ilarpt.htm>

ILA Pilot project synopses
<http://www.opm.gov/hrd/lead/ilaspfra.htm>

Training Policy Handbook
<http://www.opm.gov/hrd/lead/handbook/opmintro.htm>

Human Resource Development (HRD) Flexibilities
<http://www.opm.gov/hrd/lead/flex.htm>