



**WORKFORCE INVESTMENT NETWORK
LOCAL WORKFORCE INVESTMENT AREA (LWIA) 13**

DATE:	July 26, 2012
POLICY NUMBER	2012:07
SUBJECT:	WIN (LWIA 13) POLICY FOR APPROVING SMALL COMPANIES FOR ON-THE-JOB TRAINING (OJT) CONTRACTS
PURPOSE:	This Policy creates a uniform process for approving small companies for on-the-job training (OJT) contracts with LWIA 13. The goal of this Policy is to create a process that is less cumbersome so as to increase the participation of small companies in on-the-job (OJT) training initiatives with LWIA 13.
REPLACES	N/A
REVISION NUMBER:	N/A

I. BACKGROUND

The Workforce Investment Act (WIA) and its regulations provide relatively few requirements for on-the-job training (OJT) contracts (regardless of the size of the company), but rather provide a great degree of flexibility to the Local Workforce Investment Boards in making the award determinations. Essentially WIA requires that:

- The job seeker or employee must be eligible for training through the Workforce Investment Act, i.e. either unemployed or underemployed (defined as not earning a self-sufficiency wage as defined by LWIA 13 pursuant to WIN (LWIA 13) Policy No. 2012:01.
- The employer must be willing to provide OJT participants with continued long-term employment (with wages, benefits, and working conditions that are equal to those provided to regular employees who have worked a similar length of time and are doing the same type of work).
- The regulations specifically state that there is no time limit on the length of training, as was the case under prior legislation, but rather indicate that the training period must be limited to the period of time required for a participant to become proficient in the occupation for which the training is being provided. In determining the appropriate length of training, consideration should be given to the skill requirements of the occupation; the academic and occupational skill

level of the participant; participant's prior work experience; and the participant's individual training plan. In its sole discretion, LWIA 13 will determine the length of training for each applicable position.

II. POLICY AND PROCEDURE

A. The Small Company OJT Committee will review the following documentation of any small company seeking an OJT contract:

1. Formal Business Plan;
2. Resumes of Principals/Key Management Personnel;
3. Legal Organization Documents;
4. Balance Sheet;
5. Income Statement;
6. Business Tax Return;
7. Principal Tax Return; and
8. Training Plan (detailed per position)

B. The Small Company OJT Committee will present its recommendations to the LWIA 13 Board for consideration at the next scheduled board meeting. Notification to the applicant of any grant approval and execution of an OJT contract is subject to LWIA 13 Board approval.

III. EFFECTIVE DATE: This Policy shall be effective July 26, 2012, until further notice.

IV. INQUIRIES: Please contact Laura Hine, WIN Deputy Director, Business Services, at 901.636.6225 or laura.hine@workforceinvestmentnetwork.com with any questions or concerns regarding this Policy.