STATE OF TENNESSEE
DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT
DIVISION OF WORKFORCE SERVICES
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Workforce Services Guidance- Consolidated Business Grants

Subject: Consolidated Business Grants (CBG) eligibility requirements and funding allotment procedure.

Purpose:

This policy communicates requirements and procedures for the purpose of providing Consolidated Business Grant (CBG) funds. In addition, the policy sets forth guidance for eligibility of both training recipients and their respective employers as grantees.

Scope:

The Workforce Innovation and Opportunity Act (WIOA) establishes a framework to assist youths, unemployed adults and dislocated workers attain employment that provides a self-sufficient wage based on the policy established by the Local Workforce Development Boards (LWDB). The Tennessee Department of Labor and Workforce Development (TDLWD) and the State Workforce Development Board (SWDB) have established policies to assist businesses by providing their workers an opportunity to enroll in training programs such as Incumbent Worker Training (IWT) On the Job Training (OJT) and Apprenticeships Training Grants (ATG). These programs provide the skills necessary for them to compete in the current economic environment. The Consolidated Business Grant (CBG) provides block monies to the Local Workforce Development Areas (LWDA) to sponsor these programs based on the needs of the employer allowing local areas the flexibility in utilizing the appropriate funding as needed.

References:

Workforce Innovation and Opportunity Act, Title I, Pub. L. No. 113-128, Section

134(d)(4)(A), Section 134(d)(4)(A)(I), Section 134(d)(4)(C), Section 134(d)(4)(D); 2 CFR 200.306; 20 CFR. 680.780, 680.790, 680.800, 680.810, 680.820, 682.210(b), 682.320(b) (3) - (4); TEGL 3-15.

Funding Allotment:

The CBG funding for FY2018 has been set at $3,000,000 for statewide use. The training cycle will start June 30, 2017 and end December 31, 2017. The CBG funding allotment is being divided equally among the thirteen LWDAs as follows:

LWDA 1 $ 230,000

LWDA 2 $ 230,000

LWDA 3 $ 230,000

LWDA 4 $ 230,000

LWDA 5 $ 230,000

LWDA 6 $ 230,000

LWDA 7 $ 230,000

LWDA 8 $ 230,000

LWDA 9 $ 230,000

LWDA 10 $ 230,000

LWDA 11 $ 230,000

LWDA 12 $ 230,000

LWDA 13 $ 230,000

CBG funds are awarded to businesses based on their needs in conjunction with the scoring sheet contained within IWT/OJT Grant Application. For grants up to $25,000 no additional oversight by the State is required. Requests exceeding $25,000 will require review from the State to ensure the utilization of funds is appropriate and in accordance with regional and local plans.

Provision 1: If after 60 days, an LWDA has not spent, or obligated their CBG allotment, remaining monies can be recaptured and distributed to another LWDA within their region who has obligated their funds.

Provision 2: If after 120 days a region has not expended their funds, any unobligated monies can be reallocated across regional lines.

Provision 3: Specific guidance for the utilization of IWT and OJT grant funds are provided in Attachment 1.

Provision 4: Specific guidance for the utilization of Apprenticeship grant funds is provided in attachment 2.

Provision 5: If a consortium of businesses within a sector request funds, there is a cap of $75,000. A consortium must consist of at least three employers.

Provision 6: A copy of each application (IWT/OJT (With scoring sheet) or ATG) needs to be sent to Phil Collier and Mike Needel for tracking purposes at: Phil.Collier@tn.gov and Michael.Needel@tn.gov

Provision 7: Should an opportunity to fund a business that would require an extension beyond the December 31st end date, the request for a continuance must be approved by TDLWD before finalizing the contract.

Business Eligibility Criteria:

In order for a business to qualify for a CBG grant, it must meet all the following criteria:

- Grantee must be classified as a Tennessee for-profit business (or a not-for-profit business in health care)
- Must be in operation for at least one year
- Must employ at least five full-time employees
- Must be current on all local, state, and federal tax obligations
- Must be a financially viable business not currently in, nor expecting to file for, bankruptcy
- Must not appear on any federal suspensions or debarment list.

Additionally an employer must fulfill the following requirements:

- Be in an in-demand or in-balance industry as determined by the LWDB;
- Be in a declining industry with justifying reasons for eligibility of a CBG.
- Be current in unemployment insurance and workers' compensation, taxes, penalties, interest and are up to date on all fees, fines, local, state and federal taxes.
- Must not have filed bankruptcy in the past 12 months or not planning to file for bankruptcy.

Each of the above requirements must be documented and placed in the contract file.

The following factors should be considered when determining the eligibility of businesses to receive CBG funds to provide training:

- The characteristics of the workers to be trained. Consideration should be given to employers who propose to train individuals with barriers to employment as defined in WIOA Section 3(24).
- The benefit to the workers in regards to retention, advancement or increase in wages.
- The training should allow the participant to gain industry experience leading to recognized credentials and/or an increase in wages.
- The number of participants the employer plans to train.
- The training should be considered in-demand for that industry
- The business is in distressed areas.

Costs That May Qualify for Reimbursement:

Grant funding may reimburse all or part of the costs (provided that the employer has proper documentation) of training eligible employees.

Reimbursable Training Expenses

- Instructors/trainers salaries capped at actual amount or $50/hour if company trainers are used (whichever is less)
- Curriculum development not to exceed 5% of total State obligation (curriculum development is defined as the time necessary for company officials to determine training needs or the actual development of curriculum)
- Textbooks and manuals
- Materials and supplies
- Tuition expense (tuition is defined as instruction provided by an institution regulated by the Tennessee Higher Education Commission)

Non-Reimbursable Costs

- Trainee's wages
- Purchases of capital equipment
- Purchase of any item or service that may possibly be used outside of the training project
- Travel expenses of trainers or trainees
- Assessment, testing, or certification fees
- Language training unless specific to terms of employment
- Advertisement or recruitment
- Any costs not approved in the final sub-recipient agreement

Grant Award Determination:

Businesses must submit the Pre-Application for the CBG found at:
http://www.tn.gov/workforce/topic/grants-for-training

The application for the IWT/OJT is found at:
https://www.tn.gov/workforce/article/apply-for-iwt

The application for the ATG is found at:
https://www.tn.gov/assets/entities/labor/attachments/apprenticeship.pdf

Grant Award Considerations:

- Will the training be associated with an in-demand occupation?

- Will the training provide a skills upgrade?
- Will the training create new jobs?
- Will the training save jobs or prevent layoffs?
- Will the training improve the long-term wage level of the trainees?
- Will the training improve the short-term wage level of the trainees?
- Will the training provide a certification?
- Will the training provide or enhance process improvement for the business?

Grant Activities and Grantee/Applicant Requirements:

Training Services

- All training must be completed by the last day of the specific program period. All programs should be completed no later than the date specified in the grant contract. All training should have specific start and end dates.
- Training can be provided through Tennessee's public or private educational Institutions, private training organizations, trainers employed by the business, or a combination thereof.
- Training can be conducted at the business's location, the training provider's facility, or at a combination of sites.

Grant Awards Requirements

- Businesses approved for funds must enter into a contract with their LWDA. The contract commits the business to complete the training as proposed in its application, as well as committing to compliance with all applicable local, state, and federal laws.
- Approved budget items are reimbursed upon presentation of adequate documentation of the training and evidence that the training expense incurred has been paid.
- Businesses must submit monthly reimbursement requests, or in the timely manner agreed upon between the LWDA and company in the contract, with required support documentation presented to their LWDA representative.
- Businesses will keep accurate records of the project implementation process and certify that all information provided, for the purpose of requesting reimbursements and reporting training activity, is accurate and true.
- Businesses approved for funds must complete a monthly status report to be filled out online through this link: https://www.tn.gov/workforce/article/iwt-status

- Any other contract provisions established by the LWDA.

Project Completion

- All grant projects shall be performance based with specific measurable performance outcomes including:
    1. Completion of the training project
    2. Number of employees trained

3. Beginning and ending wages of trainees
4. Customer satisfaction.

- Final payment for businesses receiving CBG grants will be withheld until the final report is submitted and all performance criteria specified in the grant have been achieved.

- Businesses shall provide sufficient documentation (including proof of eligibility to work in the U.S.) to the LWDA for identification of all employee participants for calculation of performance measures required by WIOA, and for any other outcomes deemed pertinent to the grant administrator.

- When a CBG grant award is made it is for the completion of specific training components. If the company does not complete those training components by the end of the contract period, its final reimbursement will be pro-rated to bring its total reimbursement for the project in line with the actual training components completed.

Contact:

For questions regarding this policy contact Mike Needel, Director of Business Services, at (615) 253-6355 or Michael.Needel@tn.gov.

Effective Date: June 30, 2017

Sterling Van der Spuy, Administrator