Workforce Services Guidance- Consolidated Business Grants

Effective Date: October 1, 2018

Duration: June 30, 2019

Subject:
This guidance clarifies the eligibility requirements for the Consolidated Business Grants (CBG) and funding allotment procedure for October 1, 2018, through June 30, 2019.

Purpose:
This guidance communicates requirements and procedures to provide Tennessee Department of Labor and Workforce Development (TDLWD) CBG funds to Local Workforce Development Areas (LWDAs) in support of employers. Also, the guidance defines the eligibility of both training recipients and their respective employers as grantees.

Scope:
Office of the Governor; Title I- Adult Education and Family Literacy Act Program (AE); Title II–Adult, Dislocated Worker, and Youth Programs; Title III–Wagner-Peyser Act Program (WP); Title IV–Vocational Rehabilitation Program (VR); Tennessee Department of Labor and Workforce Development (TDLWD); Division of Workforce Services (WFS); Tennessee Department of Economic and Community Development (ECD); Tennessee Department of Education (TNED); Tennessee Department of Human Services (DHS); Tennessee Secretary of State; State Workforce Development Board (SWDB); Regional Planning Council (RPC); American Job Center (AJC); One-Stop Operator (Operator); Workforce Innovation and Opportunity Act (WIOA); Local Workforce Development Boards (LWDBs); Local Workforce Development Areas (LWDAs); Workforce System Subrecipients (Subrecipients); Workforce System Partners (Partners); Tennessee Eligibility Training Providers (TETP).

Background:
The Workforce Innovation and Opportunity Act (WIOA) establishes a framework to assist youths, unemployed adults, and dislocated workers obtain employment that provides a self-sufficient wage based on Self-Sufficiency policies 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) ***(20 CFR 680.780, 20 CFR 680.790, 20 CFR 680.800, WIOA Section 134[d][4])***, On-the-Job Training (OJT), and Apprenticeships Training Grants (ATG). These programs provide the skills necessary for participants to compete in the current economic environment. The CBG provides block funds to the Local Workforce Development Areas (LWDA) to sponsor these programs based on the needs of the employer allowing LWDAs the flexibility in utilizing the appropriate funding as needed.

References:
2 CFR 200.306; 20 CFR 680.780; 20 CFR 680.790; 20 CFR 680.800; 20 CFR 680.820; 20 CFR 682.210(b); 20 CFR 682.320; Workforce Innovation and Opportunity Act (WIOA), Title I, Public Law No. 113-128; TEGL 10-16; TEGL 19-16; WIOA Section 134(a)(3)(B); WIOA Section 134(d)(4); WIOA Section 134(d)(4)(A)(i); WIOA Section 134(d)(4)(D)

The Virtual One Stop (VOS) structure will be operational for the nine (9) new areas October 1, 2018. Therefore, transitional funding should be used for grants awarded to businesses between July 1 and September 30 under the current 13 LWDA configuration. FY2019 CBG funding should not be used prior to October 1.

I. Funding Allotment:

In February 2018, the SWDB approved CBG funding for fiscal year (FY) 2019 in the amount of $5,000,000 for statewide use. The training cycle will start on October 1, 2018, and end on June 30, 2019. The CBG funding allotment is being divided equally among the nine (9) LWDAs as follows:

- Northeast Tennessee $ 555,000
- East Tennessee $ 555,000
- Upper Cumberland $ 555,000
- Southeast Tennessee $ 555,000
- Northern Middle $ 555,000
- Southern Middle $ 555,000
- Northwest Tennessee $ 555,000
- Southwest Tennessee $ 555,000
- Greater Memphis $ 555,000

The $555,000 award includes five percent (5%) for administrative costs ***(WIOA Section 134[a][3][B])***.

CBG funds will be awarded to businesses based on their needs as defined by local policy and guidance. For grants up to $25,000, no additional approval by the TDLWD is required. Requests exceeding $25,000 will require review from the TDLWD to ensure the utilization of funds is appropriate and in accordance with regional and local plans.

Provision 1:
Direction for the utilization of grant funds is provided in section **II** of this guidance.

Provision 2:
If a consortium of businesses within a sector requests funds then there will be a cap of $75,000. A consortium must consist of at least three (3) employers.

Provision 3:
The CBG expenditures (less the 5% admin costs) will be included when factoring the Minimum Participant Cost Rate (MPCR).

Provision 4:
A pre-application must be completed for all CBG requests using the following link: Grants For Training Pre-Application

Provision 5:
If grant funding is for less than $25,000, a copy of the signed contract, to include a cover sheet (Attachment 1) must be provided to Justin Williams (Justin.Williams@tn.gov) and Michael Needel (Michael.Needel@tn.gov) for tracking purposes.

Provision 6:
If grant funding is greater than $25,000, TDLWD requires a copy of the documentation used by the local area to determine eligibility. The paperwork must include the training component and provider. Please send to Justin Williams and Michael Needel for approval prior to the signage of contract agreement.

Note: Once the contract is signed, a copy must be sent to TDLWD to include a cover sheet (Attachment 1).

Provision 7:
All CBG grantees are required to submit a monthly status report by the fifth of the month following the signing of the contract. Monthly Status Report

Note: this requirement only pertains to CBG funding.

Provision 8:
All individuals taking part in an On the Job (OJT) Training Grant or Apprenticeship Training Grant (ATG) must meet the eligibility criteria of an Adult, Dislocated Worker or Youth, as defined by WIOA, and be fully registered in Jobs4TN.

Individuals taking part in Incumbent Worker Training (IWT) do not have to meet eligibility as described above. However, they must be entered in VOS with all the information necessary to record them as an IWT recipient.

II. Business Eligibility Criteria:

A. Criteria for Employers to Qualify for Consolidated Business Grant:

For a business to qualify for a CBG it must meet all the following criteria:

- The grantee must be classified as a Tennessee for-profit business (or a not-for-profit business in healthcare).
- The grantee must be in operation for at least one (1) year. (IWT Only)
- The grantee must be a financially viable business neither currently in, nor expecting to file for bankruptcy, or have filed bankruptcy in the past twelve (12) months.
- The grantee must not appear on any federal suspensions or debarment list.
- The grantee must be in an in-demand or in-balance industry as determined by the LWDB or be in a declining industry with justifying reasons for eligibility of a CBG.
- The grantee must be current on unemployment insurance and workers' compensation, taxes, penalties, interest and are up-to-date on all fees, fines, local, state and federal taxes.

Each of the above requirements must be documented and placed in the contract file maintained by the One-Stop Operator.

B. The following factors should be taken into consideration when determining the eligibility of a business or employer to receive the CBG:

- 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).
- Training should benefit workers in regard to retention, advancement or increase in wages.
- Training should allow the participant to gain industry experience leading to recognized credentials, certificates and/or an increase in wages.
- The number of participants the employer plans to train.
- Whether the business is in distressed areas.

- 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 prevent layoffs?
- Will the training improve the long-term wage level of the trainees?
- Will the training improve the short-term wages of the trainees?
- Will the training provide a certification?
- Will the training enhance process improvement for the business?

III. Costs That May Qualify for Reimbursement:

Grant funding may reimburse all or part of the costs associated with training using the criteria in Sections IV and V of this document and based on allowability. The employer must have proper documentation of training eligible employees.

IV. Reimbursable Training Expenses (IWT/ATG):

- Instructors/trainers salaries capped at the actual amount or $50/hour if company trainers are used (whichever is less)
- Curriculum development not to exceed five percent (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)

V. Non-Reimbursable Costs:

- Trainee's wages (IWT only)
- Purchases of capital equipment
- Purchase of any item or service that may 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

VI. Grant Activities and Grantee/Applicant Requirements: Training Services:

- All training should have specific start and end dates that fall within the grant contract.
- 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 a combination thereof.

VII. Grant Awards Requirements:

- The contract for funding commits the business to complete the training as proposed. Additionally, the business must be compliant with all applicable local, state and federal laws. Businesses approved for funds must enter into a contract with their LWDA.
- Approved budget items are reimbursed upon presentation of adequate documentation and evidence that the training expense incurred has been paid.
- Businesses must submit reimbursement requests with required supporting documentation as specified in the contract presented to their LWDA representative.
- Businesses will keep accurate records of the project implementation process and certify that all information provided, to request reimbursements and report training activity, is accurate and true.
- Businesses approved for funds must complete a monthly status report to be completed online through this link: Monthly Status Report
- Any other provisions as established by the contract.

VIII. Project Completion:

All grant projects shall be performance and/or competency-based on specific, measurable outcomes including:

- Successful completion of the training
- Number of employees trained
- Beginning and ending wages of trainees
- Customer satisfaction

Final payment for businesses receiving CBG funds 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 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 then the final reimbursement will be pro-rated to bring its total reimbursement for the project in line with the actual training components completed.

Attachment I – CBG Contract Cover Letter

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

Effective Date: October 1, 2018

Duration: June 30, 2019

Deniece Thomas, Assistant Commissioner

Name of Company	
Contract Number	
Number of employees to be trained	
Type of Contract	
Amount Requested	
Contact Person	
Contact Email Address	
County	