



Workforce Services Guidance – CARES Act Consolidated Business Grants

Effective Date: July 1, 2020

Duration: December 31, 2020

Purpose:

To support Tennessee’s employers affected by COVID-19, this guidance clarifies the eligibility requirements for the Consolidated Business Grants (CBG) and procedures for Local Workforce Development Boards (LWDBs). The funding for the CBG is established through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and the allotment for these grants are for September 1, 2020 through December 31, 2020. The guidance will also define the eligibility of both training recipients and their respective employers as grantees.

Scope:

Office of the Governor, 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 (TDOE); Tennessee Department of Human Services (DHS); State Workforce Development Board (SWDB); Title I – Adult, Dislocated Worker, and Youth Programs, Title II – Adult Education and Family Literacy Act Program(AE); Title III – Wagner-Peyser Act Program (WP); Title IV – Vocational Rehabilitation Program (VR); Regional Planning Council (RPC); Local Workforce Development Boards (LWDB); Local Workforce Development Areas (LWDA); American Job Center (AJC); One-Stop Operator (OSO); Workforce System Sub-Recipients (Sub-Recipients); Workforce System Partners (Partners)

I. Funding Allotment:

In response to federal guidance marked June 30, 2020, CBG funding has been approved in the amount of \$3,330,000 for statewide use. The training cycle will start based on the provided contract and end on December 31, 2020. The CBG funding allotment is being divided equally among the nine (9) LWDBs as follows:

- Northeast Tennessee \$370,000
- East Tennessee \$370,000
- Upper Cumberland \$370,000
- Southeast Tennessee \$370,000
- Northern Middle \$370,000
- Southern Middle \$370,000
- Northwest Tennessee \$370,000
- Southwest Tennessee \$370,000
- Greater Memphis \$370,000

The \$370,000 award includes five percent (5%) for administrative costs. The total administrative costs should not exceed \$18,500.

CBG funds will be awarded to businesses that have been affected by the COVID-19 pandemic. For grants up to \$25,000, no additional approval by the Tennessee Department of Labor and Workforce Development (TDLWD) Workforce Services (WFS) Division is required. Requests exceeding \$25,000 will require review from WFS to ensure the utilization of funds is appropriate.

Provision 1:

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 2:

A pre-application must be completed for all CBG requests using the following link: [Pre-Application](#)

Provision 3:

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 Workforce.Board@tn.gov for tracking purposes.

Provision 4:

If grant funding is greater than \$25,000, WFS requires a copy of the documentation used by the LWDB to determine eligibility. The paperwork must include the training component and provider. Please send to Workforce.Board@tn.gov for approval prior to the signing of contract agreement. Responses from WFS to the LWDB will be provided no later than two (2) business days.

Note: Once the contract is signed, a copy must be sent to Workforce.Board@tn.gov to include a cover sheet (Attachment 1).

Provision 6:

All CBG grantees are required to submit a bi-monthly status report by the 5th and the 20th of the month following the signing of the contract.

Provision 7:

Meeting WIOA eligibility is not a requirement to receive funding under this grant opportunity. However, all individuals taking part in the grant that are also receiving Workforce Innovation and Opportunity Act (WIOA) services must meet the Title I Adult, Dislocated Worker or Youth eligibility and be fully registered in Jobs4TN. All participants benefitting from this grant opportunity, regardless of their participation in WIOA, must be entered into Jobs4TN with all necessary information.

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 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 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 LWDB.

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

- Was the employer impacted by the coronavirus pandemic?
- Will the training prevent layoffs?
- Training should benefit workers regarding 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.
- Will the training provide a skills upgrade?
- Will the training create new jobs?
- 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. Reimbursable and Non-Reimbursable Costs

Grant funding may reimburse all or part of the costs associated with training using the criteria below. The employer must have proper documentation of training eligible employees to receive reimbursements.

A. Reimbursable Training Expenses:

- 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)
- Assessment, testing, or certification fees (not to exceed 4% of the amount of the total award)

B. 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
- Language training unless specific to terms of employment
- Advertisement or recruitment
- Any costs not approved in the final sub-recipient agreement

IV. Training Services

- A. All training should have specific start and end dates that fall within the grant contract.
- B. Training can be provided through Tennessee's public or private educational institutions, private training organizations, trainers employed by the business, or a combination thereof.
- C. Training can be conducted at the business's location, the training provider's facility, or a combination thereof.

V. Grant Award Requirements

- A. 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.
- B. Approved budget items are reimbursed upon presentation of adequate documentation and evidence that the training expense incurred has been paid.
- C. Businesses must submit reimbursement requests with required supporting documentation as specified in the contract presented to their LWDA representative.
- D. 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.
- E. Businesses approved for funds must complete a monthly status report to be completed online through this link: [Monthly Status Report](#)
- F. Any other provisions as established by the contract.

VI. 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 CARES Act, 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 LWDB for identification of all employee who are WIOA 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.

Attachments:

Attachment A: CBG Contract Cover Letter

References:

20 CFR 683.205; 20 CFR 683.215; Section 601(d) of the Social Security Act, as added by section 5001 of the CARES Act.

Contact:

For any questions related to this policy, please contact the Program Integrity Unit at Workforce.Board@tn.gov.


..(Sep 11, 2020 12:38 CDT)

Kenyatta Lovett, Workforce Services Assistant Commissioner

Attachment 1- CBG Contract Cover Letter

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