



Northern Middle Tennessee Local Workforce Development Board

Workforce Innovation and Opportunity Act Policy Letter

Subject: Consolidated Business Grants Policy

From: Susie Bourque, Director of Policy and Planning

BACKGROUND:

The Workforce Innovation and Opportunity Act expands businesses by ensuring the workforce system is job-driven, matching employers with skilled individuals. The Northern Middle Tennessee Local Workforce Development Board (Board) has identified demand occupations and sectors to assist employers in order to provide appropriate training to meet their needs. The Board can meet these needs, in accordance to State policy, by providing funds for Apprenticeship Training, Incumbent Worker Training, and On-the-Job Training. When possible, the State will allocate funds for the Board to award to employers meeting specific eligibility criteria. Along with State funds, the Board may also use program funds for a limited number of awards.

I. PURPOSE: This policy will establish guidelines consistent with WIOA Section 134(d)(4)(A), 134(d)(4)(A)(I), 134 (d)(4)(C), 134(d)(4)(D), 2 CFR 200.306, 20 CFR 690.780, 680.790, 680.800, 680.810, 680.820, 681.210(b), 681.210(b)(3)-(4), TEGL 3-15.

II. Business Eligibility Criteria: Businesses classified as a Tennessee for-profit business or, not-for-profit business with a presence in accordance with Federal, State and Local law, and in business for at least one year. Further, the employer must meet the following requirements:

1. Must employ at least five full-time employees,
2. Must be current on all local, state, and federal tax obligations,
3. Must be a financially viable business not currently in, nor expecting to file for bankruptcy nor be in or plan to be in a lay-off status for the past 12 months
4. Must not appear on any federal suspension or debarment list
5. Must be current in unemployment insurance and workers' compensation, taxes, penalties, or interest.
6. Must be in an in-demand industry as determined by the Middle Tennessee Workforce Board

The following will also be considered during review:

1. Priority will be given to employers who propose training to individuals with barriers to employment, as defined in WIOA Section 3(24)
2. The benefit to workers in regards to retention, advancement or increase in wages either short-term or long-term

3. The benefit to the employer to save jobs or prevent layoffs
4. The benefit to the employer to enhance process improvement
5. The benefit to the participant to gain industry experience leading to recognized credentials and/or an increase in wages
6. The number of participants the employer plans to train
7. Or, if the business is in a distressed area.

III. Types of Grants and Funding: Funds may be awarded in increments of up-to \$25,000. All expenditures must follow the policies and procedures of the Federal, State, and Metro government fiscal responsibilities and expended in the contract period. It is anticipated that the payment structure of the contract awarded will be based on a combination of line-item budget reimbursements equitable to the number of participants stated in the contract. Example: If contract is for \$25,000 for 25 participant completers and only 24 participants complete the training, then only \$24,000 can be reimbursed.

The contract awarded will be cost reimbursement. No expenses are reimbursable until a contract has been fully executed (signed by all parties) and, all participant data has been submitted and deemed eligible. Monthly invoices are due by the 8th of the month for the previous month and must include documentation of expenditures. Invoices will be paid within 30 days of receipt of approved documentation.

A. Incumbent Worker Training – Grants up to \$25,000

1. Participant must have been employed and have an established employment history with the employer receiving the grant for six (6) months or more
2. A U.S. citizen or individual legally entitled to work in the U.S.
3. Age 18 or older
4. Registered for the Selective Service unless an exception is justified (Selective Service requires registration of all males who are 18 or older and born on or after January 1, 1960)
5. Employer is required to match a minimum of 50% of the requested training costs.

B. On-the-Job Training – Grants up to \$25,000

1. Newly hired
2. A U.S. citizen or individual legally entitled to work in the U.S.
3. Age 18 or older
4. Registered for the Selective Service unless an exception is justified (Selective Service requires registration of all males who are 18 or older and born on or after January 1, 1960)
5. Grant will reimburse employer up to 50% of wages
6. The occupation chosen by the employer for training must meet a Specific Vocational Preparation (SVP) level of 3 or greater.

C. Apprenticeship Training – Grants up to \$25,000

1. Must be an apprenticeship or pre-apprenticeship program to increase the skill level and proficiency of their employees, and
2. Promote an increase in production efficiency
3. Employer is required to match a minimum of 50% of the requested training costs.

IV. Reimbursable Training Expenses

1. Instructors/trainers salaries capped at actual amount or \$50/hour if company trainers are used (whichever is less)
2. 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)
3. Textbooks and manuals
4. Materials and supplies
5. Tuition expense

V. Non-Reimbursable Costs

1. Trainee's Wages (IWT only, OJT and Apprenticeship can be reimbursed for trainee wages)
2. Purchases of capital equipment
3. Purchase of any item or service that may possibly be used outside of the training project
4. Travel expenses of trainers or trainees
5. Assessment, testing, or certification fees
6. Language training unless specific to terms of employment
7. Advertisement or recruitment
8. Any costs not approved in the final sub-recipient agreement

VI. Grant Award Requirements

1. Businesses approved for funds must enter into a contract. The contract commits the business to complete the training as proposed in its application, as well as committing to compliance with all applicable Federal, State, and Local laws.
2. Approved budget items are reimbursed upon presentation of adequate documentation of the training and evidence that the training expense incurred has been paid.
3. Businesses must submit monthly reimbursement requests in the timely manner with required support documentation.
4. 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.
5. Businesses approved for funds must complete a monthly status report to be filled out online. <https://www.tn.gov/content/tn/workforce/employers/training-redirect/grants-for-training/on-the-job-training-grants/consolidated-business-grant.html>

VII. Additional Grant Award Procedures

- A.** Cost per participant will be considered when evaluating the effectiveness and efficiency of the award. Factors include:
 - 1. Does the total amount of the grant divided by the number of participants represent a cost equivalent to other training options in the LWDA?
 - 2. Is the training provided in a demand occupation? Does it provide the steps for an in-demand career pathway?
 - 3. Has the company/trainer demonstrated successful performance previously?
 - B.** Monitoring
 - 1. Participant data will be reviewed for completeness and eligibility prior to payment of any invoice
 - 2. Supporting documentation must be provided with each invoice demonstrating appropriate and allowable expenses and employer match.
 - 3. For trainer wages, documents providing direct expense (gross wages paid) to grant must be provided
 - 4. Contract manager will review submitted data and invoices for accuracy
 - 5. Contract manager will have regular contract with grant recipient to ensure proper information is being maintained.
 - 6. Lack of response by grant recipient to the Contract manager may result in termination of the contract.
 - C.** Promotion Strategies and Goals
 - 1. Business Service Team will respond to any pre-applications entered into the State's website, in order to answer any questions and provide detailed information about the CBGs.
 - 2. Business Service Team will share information about the CBGs on visits to all employers during their meetings
 - 3. Youth Service contractors will agree to develop strategies to spend 20% or more of their funding on Paid Work Experience. Contractors will be monitored monthly to ensure goal is being met.
 - 4. LWDB will obligate a minimum of 80% of available funding for grants within 90 days of receipt of funds.
 - 5. LWDB will reach out to employers who express interest through the pre-application and determine appropriateness of requests and to employers met during the Business Services Team. The goal is to serve as many employers as possible.
- II.** Questions concerning the above may be addressed to the Director of Policy, Planning and Contract Services for the Board.

VI. CONTACT:

Questions concerning the above may be addressed to the Director of Policy and Planning.

EFFECTIVE DATE:

Effective October 1, 2018 and will remain in effect until amended, modified, or set aside by the Northern Middle Tennessee Local Workforce Development Board.



John Zobl, Chairman
NMTLWDB

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