

**RULES
OF
TENNESSEE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT**

**CHAPTER 0500-6-1
TENNESSEE JOB SKILLS PROGRAM**

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0500-6-1-.01 GENERAL.

- (1) Purpose.
 - (a) 1998 Tenn. Pub. Acts, Chapter 1110, codified as T.C.A. Title 50, Chapter 7. Part 4, created the Tennessee Job Skills Program in the Department of Economic and Community Development as a workforce development incentive program to enhance employment opportunities and to meet the needs of existing and new industries in this state.
 - (b) The program shall give priority to the creation and retention of high-wage jobs and focus on employers in industries that promote high-skill, high-wage jobs in high-technology areas, emerging occupations or skilled manufacturing jobs.
 - (c) At least seventy percent (70%) of the Tennessee Job Skills Funds, which are spent on Tennessee Job Skills Grants, shall be used for assisting existing employers.

Authority: 1998 Tenn. Pub. Acts, Ch. 1110, §4(a), §4(f) and T.C.A. §4-3-702(c). **Administrative History:** Original rule filed August 28, 1998; effective December 29, 1998.

0500-6-1-.02 DEFINITIONS. FOR PURPOSE OF THESE RULES:

- (1) "Business development" includes relocation, expansion, or technological change.
- (2) "Demand occupation" means an occupation in which, as a result of business development, there are or will be positive job growth to job replacement ratios within the next twelve (12) to twenty-four (24) months, according to the best available sources of State and local labor market information.
- (3) "Eligible Expenses" are those expenses relative to the individual training project which may be eligible for reimbursement by a grant from the Tennessee Job Skills Fund as determined by the Department of Economic and Community Development, Industrial Training Service.
- (4) "Emerging occupation" means an occupation that arises from forces related to technological changes in the workplace, and workers from other occupations without customized education or training cannot perform the work.
- (5) "Employer" means a person that employs one or more employees.
- (6) "Existing employer" when used in reference to an employer's eligibility for a Tennessee Job Skills Grant, as described in these rules, means an employer that has been liable to pay unemployment insurance premiums and is current to date under T.C.A. Title 50, Chapter 7, for more than one (1) year.

(Rule 0500-6-1-.02, continued)

- (7) "Provider" means an entity that provides employment-related training. May include: employers, employer associations, labor organizations, community-based organizations, training consultants/vendors, public and private schools, state technical centers and other state supported colleges and universities, sole proprietorships or individual persons.
- (8) "Targeted industry" means an industry that promotes and creates high-skill, high-wage jobs in Tennessee and hires Tennesseans to fill the jobs.
- (9) "Trainee" means a participant in a project funded under the Tennessee Job Skills Program.

Authority: 1998 Tenn. Pub. Acts, Ch. 1110, §409 and §4(h); T.C.A. §4-3-702(c). **Administrative History:** Original rule filed August 28, 1998; effective December 29, 1998.

0500-6-1-.03 PROGRAM ADMINISTRATION.

- (1) Program Resources.
 - (a) The Tennessee Job Skills Fund is established as a separate account in the general fund.
 - (b) The Tennessee Job Skills Fund is composed of:
 - 1. Money transferred into the Tennessee Job Skills Fund pursuant to the provisions of 1998 Tenn. Pub. Acts Ch. 1110.
 - 2. Gifts, grants, and other donations received by the Department of Economic and Community Development for the Tennessee Job Skills Fund; and
 - 3. Funds appropriated by the General Assembly for the Tennessee Job Skills Fund.
 - (c) Money in the Tennessee Job Skills Fund may be used by the Department of Economic and Community Development for program administration, marketing expenses, and program evaluation; however, such expenses shall not exceed five percent (5%) of the total amount appropriated for the program in any fiscal year.
 - (d) Amounts remaining in the Tennessee Job Skills Fund at the end of each fiscal year do not revert to the general fund.
 - (e) Money in the Tennessee Job Skills Fund is to be invested by the State Treasurer pursuant to T.C.A. Title 9, Chapter 4, Part 6, for the sole benefit of the Tennessee Job Skills Fund, and interest accruing on investments and deposits of such fund is to be returned to such fund and remain part of the Tennessee Job Skills Fund.
 - (f) The Legislature has expressed the intent that, to the extent practicable, money from the Tennessee Job Skills Program shall be spent in all areas of the State.
 - (g) 1998 Tenn. Pub. Acts Ch. 1110 states that the General Assembly shall annually, in the General Appropriations Act, appropriate the amount to be available in such fiscal year for Tennessee Job Skills Grants. The legislature has stated its intent that new commitments for Tennessee Job Skills Grants made by the Commissioner of Economic and Community Development from the Tennessee Job Skills Fund shall not exceed appropriations made for such purposes. It is further the legislative intent that in each fiscal year the Tennessee Job Skills Program be managed so that actual expenditures and obligations to be recognized at the end of the fiscal year shall not exceed any available reserves and appropriations of the program.

(Rule 0500-6-1-.03, continued)

- (2) Program expenses. Expenses for the administration of the Tennessee Job Skills Program incurred by the Department of Employment Security shall be paid from the Tennessee Job Skills fees collected in accordance with 1998 Tenn. Pub. Acts Ch. 1110, it being the intent of the General Assembly that no federal grant funds of the Department of Employment Security shall be used to audit the Tennessee Job Skills Fund or to administer the provisions of Public Chapter 1110.

Authority: 1998 Tenn. Pub. Acts, Ch. 1110, §40, §4 (b)(2) and §4(c); and T.C.A. §4-3-702(c). **Administrative History:** Original rule filed August 28, 1998; effective December 29, 1998.

0500-6-1-.04 EMPLOYER ELIGIBILITY.

- (1) The following employers may apply for a Tennessee Job Skills Grant from the Tennessee Job Skills Fund:
 - (a) One (1) or more employers to secure training for demand occupations, emerging occupations, or manufacturing occupations.
 - (b) One (1) or more employers acting in partnership with an employer organization, labor organization, or community-based organization to secure training for demand occupations, emerging occupations, or manufacturing occupations.
 - (c) One (1) or more employers acting in partnership with a consortium composed of more than one (1) provider to secure training for demand occupations, emerging occupations, or manufacturing occupations.
- (2) Grant criteria. Tennessee Job Skills Grants from the Tennessee Job Skills Fund shall be awarded only to employers who certify that:
 - (a) A job or job opening exists or will exist at the end of the project for which the Tennessee Job Skills Grant is sought.
 - (b) Job openings will be filled by participants in the project.
 - (c) The starting wage for a new job created through the project will be equal to or greater than the prevailing starting wage for that occupation in the local labor market area, as determined by the Tennessee Department of Employment Security.

Authority: 1998 Tenn. Pub. Acts, Ch. 1110, §4(f), §4(d)(3), and §4(d)(5); and T.C.A. §4-3-702(c). **Administrative History:** Original rule filed August 28, 1998; effective December 29, 1998.

0500-6-1-.05 APPLICATION REQUIREMENTS.

- (1) All Tennessee Job Skills Grant applications must contain the following:
 - (a) The number and kinds of jobs available.
 - (b) The skills and competencies required for the identified jobs.
 - (c) The starting wages to be paid to trainees on successful completion of the project.
 - (d) The goals, objectives, and outcome measurements for the project.
 - (e) The proposed curriculum for the project.

(Rule 0500-6-1-.05, continued)

- (f) The projected cost per person enrolled, trained, hired and retrained in employment.
 - (g) Evidence of qualifications of instructors.
 - (h) Any additional application information deemed necessary by the Department of Economic and Community Development.
- (2) Applications will be reviewed based on the following criteria:
- (a) The total number of jobs the training project will impact.
 - (b) The degree that the training will increase job skills, job responsibilities and the wages of participants.
 - (c) Whether the training project focuses on demand, emerging, or high-skill, high wage, manufacturing jobs.
 - (d) Whether the employer is current on payment of unemployment insurance premiums.
 - (e) The level of monetary and in-kind contribution made to the project by the applicant(s).
 - (f) The degree the company will increase its current international trade activities.
- (3) Contract.
- (a) Upon approval/denial of the application the applicant(s) will be notified of the action.
 - (b) Approved applicants will enter into a contract with the Department of Economic and Community Development. The contract will delineate the reimbursement of eligible expenses.

Authority: 1998 Tenn. Pub. Acts, Ch. 1110, §409, §4(d)(4), and T.C.A. §4-3-702(c). **Administrative History:** Original rule filed August 28, 1998; effective December 29, 1998.

0500-6-1-.06 MONITORING.

- (1) Each employer who receives a Tennessee Job Skills Grant pursuant to the provisions of this section shall file a final report with the Department of Economic and Community Development at the conclusion of the Tennessee Job Skills Grant period. which shall contain the following information:
- (a) The number of participants in the project who are employed at the conclusion of the project.
 - (b) The number of participants in the project who are not employed at the end of the project.
 - (c) The starting wage of each participant employed.
- (2) Training Site/Project Visitations.
- (a) Upon receipt of the company(s) Tennessee Job Skills application, the company will be contacted by an Industrial Training Service Training Consultant to arrange for a site visit to collect/clarify additional project information.
 - (b) While the contract is in effect, the Industrial Training Service will make site visits to audit the training project.

(Rule 0500-6-1-.06, continued)

Authority: 1998 Tenn. Pub. Acts, Ch. 1110, §4(f), §4(e), and T CA. §4-3-702(c). **Administrative History:** Original rule filed August 28, 1998; effective December 29, 1998.

0500-6-1-.07 ACCOUNTABILITY.

- (1) The Department of Economic and Community Development is to report annually to the Joint Select Committee on Business Taxes on the Tennessee Job Skills Program. On February 1, 2002, and every year thereafter. 1998 Tenn. Pub. Acts Ch. 1110 requires the Comptroller of the Treasury to report to the Joint Select Committee on Business Taxes on the utilization of such funds.
- (2) In addition to filing an annual report with the Joint Select Committee on Business Taxes in accordance with 0500-6-1-.04, the Commissioner of Economic and Community Development is to annually report to the Finance, Ways and Means Committee of both the House and Senate and the House Commerce Committee and the Senate Commerce, Labor & Agriculture Committee on the status of the Tennessee Job Skills appropriation. Such report shall incorporate the information required to be filed by each employer who receives a Tennessee Job Skills Grant pursuant to 0500-6-1-.07 as well as include information concerning the amount of each grant authorized and each commitment accepted since the previous report and the name of the employer receiving the benefit of such grant or commitment, the total outstanding grants and commitments and the total unobligated appropriation.

Authority: 1998 Tenn. Pub. Acts, Ch. 1110, §4(f), §4(g), §(4)(d)(2), and T.C.A. §4-3-702(c). **Administrative History:** Original rule filed August 28, 1998; effective December 29, 1998.