

Employment & Unemployment Issues Related to COVID-19

We have been diligently working to best understand the recent legislation dealing with unemployment to provide assistance to our membership. We have been in contact with representatives from Lamar Alexander's office who provided some clarification on how the Federal Cares Act will impact unemployment in Tennessee and the impact it will ultimately have on school systems.

1. The State will continue to provide funding through the BEP and federal grants for the remainder of the school year. [School Closure Funding Implications and Actions: COVID-19 Guidance](#)
2. [The current impact of the CARES Act on K-12 education](#) also references the three points (3a,3b,3c) below as follows: Eligibility for funds hinges on a commitment to employ: The general commitment for any entity receiving funds is "*to the greatest extent practicable, continue to pay its employees and contractors during the period of any disruptions or closures related to coronavirus*" (emphasis added). **School districts will want to continue paying their employees and contracted vendors to the fullest reasonable extent to ensure they remain eligible to receive monies sourced from the Stabilization Fund.** Districts that are unable to continue paying should fully document and be prepared to explain the reasons why they have discontinued payments, in the event that they may attempt to retain eligibility for the receipt of funds.
3. Any entity that receives funds from the education stabilization fund must continue to pay its employees and contractors to the extent practicable during the period of any disruptions or closures related to coronavirus. [CARES Act Gives State Education Funding. Flexibility in Wake of COVID-19 > National Conference of State Legislatures](#)
 - a. Under the CARES Act, any part-time worker who earns a regular weekly or monthly paycheck should continue to be paid that amount for the remainder of the school year.
 - b. Some systems are choosing to pay substitute teachers an average of their wages over a period of time while other systems are allowing them to file for unemployment. Both positions are reasonably defensible under the CARES Act.
 - c. Any worker who is furloughed or loses their job for the remainder of the school year will be eligible for unemployment benefits. In such cases, the school system risks being ineligible for reimbursement from the Education Stabilization Fund unless they are able to justify the furlough or termination.
4. The Federal government has extended unemployment benefits for an additional 13 weeks. In Tennessee, the benefit period will move from 26 weeks to 39 weeks.

- a. The Cares Act includes funding to offset 50% of the costs incurred on a state level for local governments paying unemployment to their workers who are furloughed or lose their job due to COVID-19. [CARES Act: Unemployment Insurance Questions Answered](#)
 - b. The Federal Cares Act provides an additional \$600/week to eligible unemployment claimants until July 31 which is funded completely by the federal government.
 - c. School districts are responsible for 50% of unemployment compensation benefits paid to furloughed or terminated employees due to Covid-19. Such employees who become eligible for unemployment benefits now will continue to be qualified to receive the benefits through the summer. However, school districts that continue to pay the employee's wages, will be eligible for 100% reimbursement of the employee's wages.
5. The State Department of Labor and Workforce Development will set up the guidelines for how funds received from the federal government will be paid out to eligible claimants.

AS of 04/16/2020