

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION WOTC
	CORRESPONDENCE SYMBOL OWI
	DATE March 19, 2020

ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 13-19

TO: STATE WORKFORCE DEVELOPMENT AGENCIES
STATE WORKFORCE ADMINISTRATORS
WORK OPPORTUNITY TAX CREDIT COORDINATORS

FROM: JOHN PALLASCH /s/
Assistant Secretary

SUBJECT: Work Opportunity Tax Credit Funding Allotments for Fiscal Year 2020

- Purpose.** To convey the Work Opportunity Tax Credit (WOTC) Fiscal Year (FY) 2020 funding allotments, including remaining balance to states, and application requirements for State Workforce Agencies (SWA).
- Action Requested.** Grantees must meet the application requirements detailed in section 5 within 30 calendar days from the date of this Training and Employment Guidance Letter (TEGL) issuance.
- Summary and Background.** The Work Opportunity Tax Credit (WOTC) is authorized until December 31, 2020 (Section 143 of Division Q of P.L. 116-94 -- Further Consolidated Appropriation Act, 2020). The U.S. Departments of Labor and Treasury jointly administer WOTC. The Department of Treasury, through the Internal Revenue Service (IRS), administers all tax-related provisions and requirements of the Federal tax credit. The Department of Labor, through the Employment and Training Administration (ETA), awards grants to states for administration of WOTC.

ETA has available grant funds totaling \$18,485,000 for normal WOTC operations in FY 2020. The Department awarded \$2,626,719 under the first Continuing Resolution (P.L. 116-59 -- Continuing Appropriations Act, 2020, and Health Extenders Act of 2019) and awarded \$1,464,012 under the second Continuing Resolution (P.L. 116-69 -- Further Continuing Appropriations Act, 2020, and Further Health Extenders Act of 2019). Therefore, the remaining balance to the states is \$14,394,269. See Attachment I for the remaining balance amounts to each state.

In addition to \$18,485,000 in base funds, Congress appropriated \$2,500,000 to reduce the processing backlog for WOTC. ETA plans to distribute these additional funds to approximately 6-12 states with the most critical need to alleviate their backlogs. The award of the \$2,500,000 will be informed by a combination of ETA's data on backlogs and states' input. ETA will issue a change to this TEGL to publicly announce the additional awards.

RESCISSIONS None	EXPIRATION DATE Continuing
----------------------------	--------------------------------------

4. **Details.** States must enter the remaining *balance to state* amount, which is provided in Attachment I, on their SF-424 Form - Application for Federal Assistance (OMB Control No. 4040-0004) as their request for FY 2020 funding.

After allocating \$20,000 to the Virgin Islands, ETA distributes the remaining funds to the SWAs by administrative formula with a \$66,000 minimum allotment and a 95 percent stop-loss/120 percent stop-gain from the previous year allotment share percentage. The administrative formula is calculated as follows:

- a) 50 percent is based on each state's relative share of total WOTC certifications issued from October 1, 2018 through September 30, 2019;
- b) 30 percent is based on each state's relative share of the Civilian Labor Force averages for the 12-month period from October 1, 2018 through September 30, 2019; and
- c) 20 percent is based on each state's relative share of adult recipients of Temporary Assistance for Needy Families averages from October 1, 2017 through September 30, 2018.

Application Requirements for FY 2020 Funding. In an effort to achieve greater efficiency and as part of ETA's ongoing effort to streamline the grant award process, ETA requires grantees to submit an **electronically signed copy of a SF-424 Form through Grants.gov for the ETA-WOTC-TEGL-13-19-2020 at: www.grants.gov, within 30 calendar days from the date of this TEGL's issuance.** The official, electronically signed SF-424 Form must reflect the remaining balance to state amount listed in Attachment I for the requested estimated funding total in item #18 and the Catalog of Federal Domestic Assistance Number, 17.271 for item #11.

- Each applicant must have a Dun and Bradstreet Data Universal Numbering System (DUNS) Number available and must be registered with the System for Award Management (SAM) at: www.sam.gov before submitting an application. Please note: Effective June 2017, you can no longer access SAM using Internet Explorer (IE) Versions older than IE11. You either need to upgrade to an Internet Explorer version of IE11 or higher, or access SAM with another supported browser type (Chrome, Firefox, Safari, etc.).
- To submit the required documents, applicants must follow the "Apply for Grants" link on Grants.gov and download the links for the grant application package. For this grant opportunity, applicants should not follow the "Find Grants" link, as this is not a competitive funding opportunity. If applicants encounter a problem with Grants.gov and do not find an answer in any of the other resources, call 1-800-518-4726 or 1-606-545-5035 to speak to a Customer Support Representative or email: support@grants.gov.

General Administration. SWAs are responsible for using the remaining FY 2020 funding allotments to conduct the following WOTC activities through September 30, 2020:

1. Implementing the certification process and issuing final determination to employers or their authorized representatives;
2. Promoting WOTC to employers;
3. Reducing and eliminating existing backlogs; and
4. Reporting performance data on a quarterly basis.

In addition, SWAs must administer the WOTC in accordance with the policies and procedural guidance set forth by ETA and requirements outlined in Attachment II.

Reporting Requirements.

- a) **Quarterly Financial Report** – SWAs must report expenditures quarterly using ETA Form 9130. Financial reports are due no later than 45 days following the end of each quarter. Timely submission of these reports is important to ensure proper accounting of funds.
- b) **Quarterly Performance Report** – SWAs must use the web-based EBSS *Tax Credit Reporting System* to report quarterly activities and outcomes using ETA Form 9058. Performance reports are due no later than 45 days following the end of each quarter. Timely submission of these reports is important for administration purposes.

5. **Inquiries.** Please direct all questions to the appropriate Regional WOTC Coordinator listed on the WOTC website at:
<https://www.doleta.gov/business/incentives/opptax/contact/regional-offices.cfm>.

6. **References.**

- Section 51 of the Internal Revenue Code (Code) of 1986, as amended;
- P.L.116-94 -- Further Consolidated Appropriations Act, 2020;
- P.L. 116-59 -- Continuing Appropriations Act, 2020, and Health Extenders Act of 2019;
- P.L. 116-69 -- Further Continuing Appropriations Act, 2020, and Further Health Extenders Act of 2019.

7. **Attachments.**

Attachment I: FY 2020 State Allotments and Balance after Dissemination to States under Continuing Resolutions (CR) 1 through 2

Attachment II: Work Opportunity Tax Credit (WOTC) Statement of Work