

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION WOTC
	CORRESPONDENCE SYMBOL OWI
	DATE December 27, 2021

ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 3-21, CHANGE 1

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

FROM: ANGELA HANKS /s/
Acting Assistant Secretary

SUBJECT: Change 1 to Training and Employment Guidance Letter No. 3-21, *Work Opportunity Tax Credit (WOTC) Initial Funding Allotments for Fiscal Year 2022*

1. **Purpose.** This Change 1 to Training and Employment Guidance Letter (TEGL) No. 3-21 conveys additional Fiscal Year (FY) 2022 WOTC funding allotments and application requirements for State Workforce Agencies (SWAs) based on funding appropriated through a continuing resolution (CR) through February 18, 2022. The rest of TEGL No. 3-21 remains the same.
2. **Action Requested.** Grantees must meet the application requirements detailed in section 4 within 30 calendar days from the date of this TEGL issuance.
3. **Summary and Background.**
 - a. Summary – On November 15, 2021, the Employment and Training Administration (ETA) issued TEGL No. 3-21, which announced the initial WOTC funding allotments of \$3,240,420 under the Extending Government Funding and Delivering Emergency Assistance Act, 2022 (Public Law 117-43). On December 3, 2021, the Further Extending Government Funding Act of 2022 (P.L. 117-70) became law, providing a second continuing resolution (CR) through February 18, 2022. This Change 1 announces additional FY 2022 WOTC allotments under the second CR in the amount of \$3,900,335. The state allotment amounts are listed in Attachment I, “*Work Opportunity Tax Credit Fiscal Year 2022 Funding under Continuing Resolution #2.*” Once Congress authorizes final appropriations, or a third CR for FY 2022, ETA will publish a Change 2 to this TEGL, to announce the full-year allotments and state balances, or additional CR funding. If applicable, ETA will also announce any additional funding appropriated to reduce processing backlogs and assist states in adopting or modernizing information technology for processing

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certification requests. ETA requests that SWAs submit applications for funding as allotted in Attachment I to this TEGL.

- b. Background – The WOTC is set forth under section 51 of the Internal Revenue Code of 1986 (Code) and is effective until December 31, 2025 under Section 113 of Division EE, Title 3 -- Consolidated Appropriations Act, 2021 (P.L. 116-260). The U.S. Department of the Treasury, through the Internal Revenue Service (IRS), administers all tax-related provisions and requirements of the Federal tax credit. The U.S. Department of Labor, through ETA, awards grants to states for administration of the WOTC.

4. **Details.** States must enter the state allotment amount (provided in Attachment I) on their SF-424 Form, *Application for Federal Assistance* (OMB Control No. 4040-0004), as their request for additional FY 2022 funding.

While under a continuing resolution, incremental allotments to states are based on the prior fiscal year's allotment percentage. Once Congress passes a full-year appropriation, ETA will allocate \$20,000 to the Virgin Islands, and distribute 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, 2020 through September 30, 2021;
- 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, 2020 through September 30, 2021; 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, 2019 through September 30, 2020.

Application Requirements for FY 2022 Funding. ETA requires grantees to submit an electronically signed copy of the SF-424 Form through Grants.gov for funding opportunity number **ETA-WOTC-TEGL-03-21-C1** at <https://www.grants.gov>, within 30 calendar days from the issuance date of this TEGL. The official, electronically signed SF-424 Form must reflect the 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 it must be registered with the System for Award Management (SAM) at <https://www.sam.gov>, before submitting an application. To submit the required documents, applicants must follow the "Apply for Grants" link on [Grants.gov](https://www.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](https://www.grants.gov) and do not find an answer in any of the other available resources, they should call 1-800-518-4726 or 1-606-545-5035 to speak to a Customer

Support Representative or send an email to support@grants.gov. Please note: Effective June 2017, applicants can no longer access SAM using Internet Explorer (IE) web browser versions older than IE11.

General Administration. SWAs are responsible for using the FY 2022 CR #2 funding allotment to conduct WOTC activities outlined in the WOTC Statement of Work. See Attachment II of TEGL No. 3-21, *WOTC Initial Funding Allotments for Fiscal Year 2022*, for the *Work Opportunity Tax Credit (WOTC) Statement of Work*, available here: https://wdr.doleta.gov/directives/corr_doc.cfm?docn=3188.

Reporting Requirements.

- a) **Quarterly Financial Report** – SWAs must report fiscal 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 Enterprise Business Support System (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 inquiries to the appropriate Regional WOTC Coordinator listed on the WOTC website at <https://www.dol.gov/agencies/eta/wotc/contact/regional-offices>.

6. **References.**

- Section 51 of the Internal Revenue Code of 1986, as amended (<https://uscode.house.gov/view.xhtml?path=/prelim@title26/subtitleA/chapter1/subchapterA/part4/subpartF&edition=prelim>);
- P.L. 117-43 -- Extending Government Funding and Delivering Emergency Assistance Act of 2022 (<https://www.congress.gov/117/plaws/publ43/PLAW-117publ43.pdf>); and
- P.L. 117-70 -- Further Extending Government Funding Act of 2022 (<https://www.congress.gov/117/plaws/publ43/PLAW-117publ43.pdf>).

7. **Attachment(s).**

- Attachment I: Work Opportunity Tax Credit Fiscal Year 2022 Funding under Continuing Resolution #2