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| EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210 | CLASSIFICATION WOTC |
| | CORRESPONDENCE SYMBOL OWI |
| | DATE February 8, 2019 |

ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 10-18

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

FROM: MOLLY E. CONWAY /s/
Acting Assistant Secretary

SUBJECT: Work Opportunity Tax Credit Funding Allotments for Fiscal Year 2019

1. **Purpose.** To convey the Work Opportunity Tax Credit (WOTC) Fiscal Year (FY) 2019 grant funding allotments and application requirements for the State Workforce Development Agencies, also known as State Workforce Agencies (SWA).
2. **Action Requested.** State Administrators are requested to provide this information to appropriate staff. The Employment and Training Administration (ETA) requests SWAs submit applications for funding for the FY 2019 state allotments, which totals \$18,485,000 (Attachment I). Grantees must meet the application requirements detailed in Section 4 **within 30 calendar days** from the date of issuance of this Training and Employment Guidance Letter (TEGL).
3. **Summary and Background.**
 - a. Summary – This TEGL announces the availability of WOTC FY 2019 state allotments to conduct WOTC activities and grant award application requirements for grantees to receive funding allocations. In addition, it provides general administrative policies and procedural guidance set forth by ETA and requirements outlined in the WOTC Statement of Work (Attachment II).
 - b. Background – On September 28, 2018, the Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019 (Pub. L. 115-245) was signed into law, which provides Department of Labor funding appropriations for FY 2019. Section 142(a) of the Protecting Americans from Tax Hikes Act of 2015 (PATH Act) amended Section 51(c) of the Internal Revenue Code to extend WOTC through December 31, 2019. The U.S. Departments of Labor and Treasury jointly administer WOTC. The Department of Treasury, through the Internal Revenue Service, administers all tax-related provisions and requirements of the federal tax credit. The Department of Labor, through ETA, awards grants to states for administration of WOTC.

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| RESCISSIONS None | EXPIRATION DATE Continuing |
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4. **Funding, Application, Administration, and Reporting Requirements.**

- a. **Funding.** States must enter the allocations provided in Attachment I on their Application for Federal Assistance, SF-424 Form, (OMB Control No. 4040-0004) as their request for FY 2019 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.

- 50 percent is based on each state's relative share of total certifications issued from October 1, 2016, through September 30, 2017, for WOTC;
 - 30 percent is based on each state's relative share of the Civilian Labor Force averages for the 12-month period from July 1, 2017, through June 30, 2018; and
 - 20 percent is based on each state's relative share of adult recipients of Temporary Assistance for Needy Families averages from October 1, 2016, through September 30, 2017.
- b. **Application Requirements for FY 2019 Funding.** ETA requires that grantees submit an **electronically signed copy of a SF-424 Form through Grants.gov for Funding Opportunity Number ETA-WOTC-TEGL-10-18-FY2019 at <https://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 state amount listed in the FY 2019 State Allotments table, Attachment I, for the requested 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 <https://www.sam.gov/SAM/> before submitting an application. **Note:** You must access this link with a supported browser type such as Chrome, Firefox, or Safari.
 - 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 resources, call 1-800-518-4726 or 1-606-545-5035 (to speak to a Customer Support Representative) or email: support@grants.gov.
- c. **General Administration.** SWAs are responsible for using the FY 2019 funding allotments to conduct the following WOTC activities through September 30, 2019: 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 the WOTC Statement of Work, Attachment II.

d. Reporting Requirements.

- **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.
- **Quarterly Performance Report** – SWAs must use the web-based Enterprise Business Service System 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.

- Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019 (Pub. L. 115-245);
- Consolidated Appropriations Act, 2018 (Pub. L. 115-141);
- The PATH Act (Pub. L. 114-113);
- Section 51 of the Internal Revenue Code of 1986, as amended; and
- Guidance on the Handling and Protection of Personally Identifiable Information (PII), Training and Employment Guidance Letter 39-11.

7. Attachments.

Attachment I: FY 2019 State Allotments

Attachment II: WOTC Statement of Work