

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION WOTC
	CORRESPONDENCE SYMBOL OWI
	DATE August 24, 2020

ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 13-19, Change 1

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

FROM: JOHN PALLASCH 
Assistant Secretary

SUBJECT: Change 1 to Training and Employment Guidance Letter No. 13-19, Work Opportunity Tax Credit Funding Allotments for Fiscal Year 2020

1. **Purpose.** To announce the 12 states selected to receive additional fiscal year (FY) 2020 awards totaling \$2,500,000 to reduce the processing backlog for the Work Opportunity Tax Credit (WOTC). The remainder of Training and Employment Guidance Letter (TEGL) No. 13-19 remains the same.
2. **Action Requested.** Selected states should notify ETA of its intent to accept or decline the award through official correspondence submitted to Ask.WOTC@dol.gov within 15 calendar days of this TEGL issuance. To receive the funds specified in this TEGL, selected states must submit the required application materials according to the instructions detailed below in section 4 within 30 calendar days from the date of this TEGL issuance.
3. **Summary and Background.**
 - a. Summary – As outlined in TEGL No. 13-19, in addition to the \$18,485,000 in base funds distributed for WOTC, Congress appropriated \$2,500,000 to reduce the processing backlog for WOTC. Consistent with TEGL No. 13-19, the Employment and Training Administration (ETA) is distributing additional funds to 12 states with the most critical needs to alleviate their backlogs.
 - b. Background – In May 2020, ETA communicated with state workforce agencies (SWA) to initiate the decision making process. ETA requested that SWAs review WOTC backlog data from the Enterprise Business Support System for the reporting period ending December 31, 2019, and asked SWAs to provide any additional information or corrections regarding their backlog numbers. Additionally, ETA requested that SWAs provide a narrative to explain their respective state’s current processing systems and the extent to which their systems impact processing capabilities.

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

Based on these factors, ETA identified 12 states with the most critical need to reduce their backlog. ETA’s methodology for determining the award amounts examined both qualitative and quantitative data, which ETA analyzed to understand the needs and how SWAs would use the additional funding to make improvements to their existing systems.

- i. Awardee Selection. To determine the selection of the 12 states, ETA used the following criteria to identify states with the most critical need to alleviate their backlog:
 - 1. Backlog total and the percentage ratio it represents of the state’s total workload;
 - 2. Current processing systems (manual or automated);
 - 3. How those systems negatively impact the state’s processing capabilities; and
 - 4. Staff workload analyses as indicated in the states’ narratives.

- ii. Funding Tiers for Awards. Based on the availability of \$2,500,000 in funds, ETA established three funding tiers to distribute these awards to 12 states:
 - Tier 1 = \$100,000
 - Tier 2 = \$200,000
 - Tier 3 = \$325,000

To determine the funding level for each state, ETA considered the factors described above under “Awardee Selection,” as well as the relative size of the additional backlog funding compared to the state’s FY 2020 base WOTC grant award.

The selected states and corresponding funding amounts for these awards are as follows:

\$100,000 Award	\$200,000 Award	\$325,000 Award
<ul style="list-style-type: none"> • Alaska • Delaware • Idaho • Wyoming 	<ul style="list-style-type: none"> • Connecticut • Kansas • North Carolina • Virginia 	<ul style="list-style-type: none"> • California • Indiana • New Jersey • New York

Note: In the event that a state fails to submit the required application materials timely, or decides to refuse the award, ETA reserves the right to either redistribute such funds to the other selected states and/or consider additional state(s) for an award, as appropriate. A subsequent Change TEGL will announce these funds after award, if applicable.

- 4. **Application Instructions for Backlog Funding Awards**. States must enter the award amount for their assigned funding tier listed below on an SF-424 Form - Application for Federal Assistance (OMB Control No. 4040-0004) and submit an **electronically signed copy of the SF-424 Form through Grants.gov for the Change 1, ETA-WOTC-TEGL-13-19-2020 at www.grants.gov, within 30 calendar days from the date of this TEGL’s issuance.**

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.**

- TEGL No. 13-19, *Work Opportunity Tax Credit Funding Allotments For Fiscal Year 2020*

7. **Attachments.** Not Applicable