ADVISORY:    TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 21-17

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

FROM:      ROSEMARY LAHASKY /s/
           Deputy Assistant Secretary

SUBJECT:   Work Opportunity Tax Credit Funding Allotments for Fiscal Year 2018

1. Purpose. To convey the Work Opportunity Tax Credit (WOTC) Fiscal Year (FY) 2018
grant funding allotments and application requirements for the State Workforce
Development Agencies, also known as State Workforce Agencies (SWA).

2. References.
   ● Consolidated Appropriations Act, 2018 (Pub. L. 115-141);
   ● Continuing Appropriations Act, 2018 (Pub. L. 115-96);
   ● Continuing Appropriations Act, 2018 (Pub. L. 115-90);
   ● Continuing Appropriations Act, 2018 (Pub. L. 115-56);
   ● Consolidated Appropriations Act, 2017 (Pub. L. 115-31);
   ● Protecting Americans from Tax Hikes (PATH) Act of 2015 (Pub. L. No. 114-113);
   ● Section 51 of the Internal Revenue Code (Code) of 1986, as amended;
   ● November 2002, Third Edition of ETA Handbook 408 (the Handbook); and
   ● August 2009 Addendum to the Handbook.

3. Background. Section 142(a) of the PATH Act amended Section 51(c) of the 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 (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 issued grant funds totaling $3,487,623 for FY 2018 Continuing Resolutions (CR) 1 through 3, Pub. Law 115-96, to maintain uninterrupted administration of WOTC. In this Training and Employment Guidance Letter (TEGL), ETA requests SWAs submit applications for funding for the remainder of FY 2018 state balances, which totals $14,997,377 (See Attachment I).
4. **Funding.** States must enter the allocations provided in Attachment I on their SF-424 Form - Application for Federal Assistance (OMB Control No. 4040-0004) as their request for FY 2018 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.

a) 50 percent is based on each state’s relative share of total certifications issued from October 1, 2016, through September 30, 2017, for WOTC;

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, 2016, through September 30, 2017; 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, 2015, through September 30, 2016.

5. **Application Requirements for FY 2018 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 Funding Opportunity Number ETA-WOTC-TEGL-21-17-FY2018 at https://www.grants.gov/](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 balance to the state amount listed in the FY 2018 State Allotments Funding Table, 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: [https://www.sam.gov/portal/SAM/](https://www.sam.gov/portal/SAM/) 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 resources, call 1-800-518-4726 or 1-606-545-5035 to speak to a Customer Support Representative or email: [support@grants.gov](mailto:support@grants.gov).

6. **General Administration.** SWAs are responsible for using the remaining FY 2018 funding allotments to conduct the following WOTC activities through September 30, 2018: 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) performance reporting 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 WOTC Statement of Work, Attachment II.

7. **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 Enterprise Business Service 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.

8. **Action Requested.** Grantees must meet the application requirements detailed in section 5 within 30 calendar days from the date of this TEGL’s issuance.


10. **Attachments.**
    Attachment I: Fiscal Year (FY) 2018 State Allotments
    Attachment II: WOTC Statement of Work