

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION UI
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	DATE May 10, 2020

ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 22-20

TO: STATE WORKFORCE AGENCIES

FROM: JOHN PALLASCH 
Assistant Secretary

SUBJECT: Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 – Short-Time Compensation (STC) Program Grants.

1. **Purpose.** To encourage and assist states in applying for grant funds for STC programs and issue guidance on the process to apply for the grants provided for under Section 2110 of the CARES Act, which supports the Secretary of Labor's (Secretary's) commitment to provide resources and assistance during re-opening of businesses and help employers and workers avert layoffs.
2. **Action Requested.** The U.S. Department of Labor's (Department) Employment and Training Administration (ETA) requests that State Workforce Agency Administrators provide information contained in this Unemployment Insurance Program Letter (UIPL) to appropriate staff.
3. **Summary and Background.**
 - a. Summary – On March 27, 2020, the President signed into law the CARES Act, which was designed to mitigate the economic effects of the COVID-19 pandemic in a variety of ways. The CARES Act includes the Relief for Workers Affected by Coronavirus Act set out in Title II, Subtitle A. The UI-related provisions are summarized in UIPL No. 14-20, *Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 – Summary of Key Unemployment Insurance (UI) Provisions and Guidance Regarding Temporary Emergency State Staffing Flexibility*, issued on April 2, 2020. The STC-related provisions are summarized in UIPL No. 21-20, *Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 – Short-Time Compensation (STC) Program Provisions and Guidance Regarding 100 Percent Federal Reimbursement of Certain State STC Payments*, issued on May 3, 2020.

Section 2110 provides up to \$100 million for grants to states with STC programs in their laws that conform to the requirements of section 3306(v), Federal Unemployment Tax Act (FUTA) (26 U.S.C. § 3306(v)). Grants are available for the implementation or

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improved administration of an STC program, and for the promotion of the program and enrollment of employers in an STC program. The Secretary may use up to \$250,000 of the \$100 million to provide outreach and to share best practices for STC programs. The deadline to apply for these grants is December 31, 2023.

This UIPL provides guidance and instructions regarding the process to apply for these grants and encourages eligible states to submit STC grant applications. Attachment I provides the language in Section 2110, Grants for Short-Time Compensation Programs. Attachment II contains an application checklist states can use while completing the STC grant application(s). Attachment III provides the STC grant Quarterly Progress Report (QPR). Attachment IV lists the Short-Time Compensation (STC) Grant amounts available by state. Finally, Attachment V provides the instructions for Completing the SF-424 (Application for Federal Assistance) and SF-424A (Budget Information for Non-Construction Programs).

- b. Background – The STC program (also known as “worksharing” or “shared work”) is a lay-off aversion program in which an employer, under a state-approved plan, reduces the hours for a group of workers and these workers in turn receive a reduced unemployment benefit payment. In the context of re-opening businesses closed temporarily by a pandemic, STC can also serve as a means of bringing most or all of a temporarily laid-off workforce back to the job, even if social-distancing measures, a decline in business, or other factors prevent operating at full staffing levels full time. Specifically, this benefit may be made available to individuals returning to work with reduced hours who worked for the employer prior to the temporary lay-off due to COVID-19. This program preserves employees’ jobs and employers’ trained workforces during a disruption to firms’ regular business activity by reducing hours of work for an entire group of affected employees, rather than by laying off some employees while others continue to work full time. The STC benefit payment cushions the adverse effect of the reduction in business activity on employees and employers, by maintaining the connection between employees and employers, ensures that these workers will be available to resume prior employment when business demand increases, and allows businesses to gradually ramp up operations and re-open.

Federal requirements concerning the STC program are found in the definition of STC in section 3306(v), FUTA (26 U.S.C. § 3306(v)). Employer participation in an STC program is voluntary. An employer must submit a written plan to the state unemployment compensation (UC) agency, which is subject to the state’s approval. The employer’s plan must specify the percentage reduction in the workweek for affected employees and be consistent with employer obligations under applicable federal and state laws. Employers must maintain (to the same extent as other employees not participating in the STC program) health benefits and retirement benefits under Sections 414(i) and (j) of the Internal Revenue Code (IRC) (26 U.S.C. §§ 414(i) and (j)) for employees in the affected unit, despite the reduced hours. An employee must be available for his or her workweek to meet the “able and available for work” requirements.

- 4. **Eligibility for Grants.** Section 2110(d) of the CARES Act, requires that STC grant funds be used for two distinct purposes: (1) an eligible state may receive a grant to fund the

implementation or improved administration of an STC program; and/or (2) an eligible state that has submitted a plan for a grant for implementation or improved administration may also receive a grant to promote and enroll employers in its STC program.

To qualify for an STC grant, a state's UC law must be certified under Section 3304, FUTA, (26 U.S.C. § 3304) and under Section 303, Social Security Act (SSA) (42 U.S.C. § 503). In addition, the state must meet the following two criteria: (1) the state has an STC law that conforms to Section 3306(v), FUTA; and (2) the state STC program is not subject to discontinuation. To qualify for an STC grant to promote and enroll employers in its STC program, the state must have submitted a plan for a grant for implementation or improved administration of its STC program.

For a state that has a new STC law there is one additional criterion. The state STC program must be scheduled to take effect within 12 months of the date of the Secretary's certification to the U.S. Department of Treasury (Treasury) to permit a transfer of funds for the STC grant award.

5. **Amount of Grants.** The total amount available in grant funds is \$99,750,000: \$100,000,000 less \$250,000, which the Secretary may use to provide outreach and share best practices for STC programs. Each state's share of the STC grants is calculated as provided under Section 2110(b)(1) of the CARES Act:

[To] be equal to the amount obtained by multiplying \$100,000,000 (less the amount used by the Secretary under subsection (e)) by the same ratio as would apply under subsection (a)(2)(B) of section 903 of the Social Security Act (42 U.S.C. 1103) for purposes of determining such State's share of any excess amount (as described in subsection (a)(1) of such section) that would have been subject to transfer to State accounts, as of October 1, 2019, under the provisions of subsection (a) of such section.

This means each state's share is based on its proportionate share of FUTA taxable wages multiplied by the \$99,750,000. (See Attachment IV). As noted above, states may apply for one or two STC grants. Of the total amount available to each state, the following conditions apply:

- One-third of the total STC grant funds available to the state are for implementation or improved administration of the STC program; and
- Two-thirds of the total STC grant funds available to the state are for promotion of the STC program and enrollment of employers in the program.

Note: If a state applies for both of these grants, the state must track and account for each grant separately as described in Section 7 of this UIPL.

6. **Use of Grant Funds.** Section 2110(d) of the CARES Act requires that STC grant funds be used for the implementation or improved administration of state STC programs, and for

promotion and enrollment efforts associated with such programs. Funds awarded under these grants may be used for activities such as:

- The creation and support of Rapid Response teams to advise employers about alternatives to layoffs, including STC;
- The provision of education or assistance to employers to enable them to assess the feasibility of participating in STC programs; and
- The development or enhancement of systems to automate submission and approval of plans and to automate the filing and approval of new and ongoing STC claims.

In developing an STC grant application, the Department strongly encourages state UI agencies to collaborate with Workforce Innovation Opportunity Act (WIOA) Rapid Response teams because they share states' goal of layoff aversion and there may be an opportunity to leverage resources.

Funds may only be used to support those specific activities that were proposed in the approved STC grant application. If a state wants to expand or modify the approved STC grant activities, the state must submit a request for modification to the ETA National Office, with a copy to the appropriate ETA Regional Office.

7. **Reporting.** Section 303(a)(6) of the SSA requires states, as a condition for receiving administrative grants, to provide reports to the Secretary. In addition, Section 2110(h) of the CARES Act allows the Secretary to establish reporting requirements for states receiving an STC grant in order to provide oversight of grant funds. As a condition of receiving an STC grant, the state must adhere to the reporting requirements as described in this section.

A state that receives STC grant(s) must submit an STC grant Quarterly Progress Report (QPR) (Attachment III) for each grant. The purpose of the STC grant QPR is to track STC grant activities and ensure that the state achieves the goals set forth in the STC grant application. The STC Grant QPR has five sections for the state to document quarterly STC grant activities: (i) implementation and/or improved administration, (ii) promotion and enrollment, (iii) outcomes (*i.e.*, number of averted layoffs, number of reduced hours, UI payments by sector/firm/size, *etc.*), (iv) success stories, and (v) technical assistance needed. ETA will monitor the state's quarterly progress using the STC Grant QPR and will match it against the timeline for achieving goals submitted in the STC grant application.

The report is due 45 days after the end of each quarter (*i.e.*, November 14, February 14, May 15, and August 14). If a state fails to submit the STC Grant QPR and/or is not meeting the timeline for achieving goals established for STC grant implementation as approved in the application, the STC grant may be subject to recoupment as described in Section 9 of this UIPL.

For a state with approved STC grant applications, subaccounts will be established in its Unemployment Trust Fund (UTF) account for each grant type, which must be used only for the purpose(s) outlined in the approved grant application. After the Department provides certification of the approved grant(s) and the amount of the grant(s) to Treasury, then

Treasury will transfer the appropriate amount(s) to the subaccounts. ETA will advise the state of the total STC grant award(s) and the amount(s) awarded along with the purpose of the grant(s) through an award letter.

After the award(s), the following reports will be required for all STC transactions involving the UTF subaccounts:

1. ETA 8403 (Summary of Financial Transaction, Title IX Funds, OMB No. 1205-0154); and
2. ETA 2112 (UI Financial Transaction Summary, OMB No. 1205-0154) on lines 15 (Title IX or Special Legislation) and 44 (Title IX or Special Legislation). The transactions should be identified by amount and program type, as appropriate, in the comments section.

8. **Grant Application.** The STC grant application must be consistent with Section 2110 of the CARES Act and requirements outlined in this guidance.

States must perform STC program duties and functions in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) at 2 C.F.R. Part 200 and 2 C.F.R. 2900 applicable to all grants and cooperative agreements. Additionally, the Department's administrative requirements for grants and cooperative agreements at 29 C.F.R. Parts 31, 32, 38, and 98 apply to grant funds provided for these activities. The FY 2020 grant terms and conditions are available at: https://www.dol.gov/sites/dolgov/files/ETA/grants/pdfs/2020_Terms_Template.pdf

Section 2110(a)(3)(A) of the CARES Act directs the Secretary to develop eligibility criteria for these grants; this guidance sets forth these criteria. In addition, section 2110(c)(1) of the CARES Act directs the Secretary to develop the manner of the application for these grants and the Department provides an STC application checklist in Attachment II to help states develop their applications and encourages states to use the checklist to ensure their STC grant applications are complete when they submit them to the Department. STC grant applications must be complete and submitted by December 31, 2023.

To be complete, applications must be submitted with a cover letter signed and dated by the state administrator and include the name, telephone number, and e-mail address of the state STC program contact. The following details should be included with the application:

- a. A copy of the state STC law along with an explanation of how the law conforms to Section 3306(v), FUTA;
- b. If the state is applying for a grant to implement or improve administration of the state STC program, the state must submit a narrative description of the funding request and a detailed project plan. This project plan must include a quarterly timeline for all of the implementation/improvement activities for the STC program, including:
 - i. A description of any planned infrastructure implementation or

- improvements (*e.g.*, information technology system(s) or operational upgrades) that the state has identified to automate or improve the submission and approval of STC employer plans and initial and continued STC claims; and
 - ii. A description of any plans to hire and train STC staff for STC program implementation.
- c. If the state is applying for a grant to promote the STC program and enroll employers in it, the state must submit a narrative description of the funding request and a detailed project plan. This project plan must include a quarterly timeline for promotion and enrollment activities for the STC program, as well as:
 - i. A description of any plans to create or improve support of Rapid Response teams to advise employers about alternatives to layoffs;
 - ii. A description of education or assistance that will be provided to employers to enable them to participate in the STC program; and
 - iii. A description of STC program outreach tools and efforts to be funded through the grant.
- d. A description of the state's quarterly and cumulative goals (*i.e.*, interim milestones and timelines for all grant activities) and desired outcomes for the STC program, which may include, but are not limited to:
 - 1. Outreach efforts and partnerships established to increase employer STC program usage (*e.g.*, Labor Organizations, Rapid Response teams, and workforce system Business Services Representatives);
 - 2. Number of STC employer plans established; and
 - 3. Number of anticipated layoffs averted.
- e. A description (or copy) of the written agreements or Memoranda of Understanding (MOU) between the UI agency and appropriate workforce system partners, such as WIOA Rapid Response, Workforce System Business Service Representatives, and State/Local Workforce Investment Area(s), to develop a coordinated plan to avert layoffs;
- f. A description of how the state will sustain the activities that were funded by the STC grant(s). This may include leveraging WIOA Rapid Response grant funds to support promotion and enrollment activities or better coordination of WIOA Business Services teams, Rapid Response teams, and other state agencies with business engagement and outreach efforts.
- g. The following assurances:
 - i. That the state will expend the awarded funds in accordance with the requirements of the STC grant(s);
 - ii. That the state will submit required reports on STC activities;
 - iii. That the state will recover any STC overpayments in accordance with the

- state UC law; and
- iv. That the state will develop processes for auditing and monitoring STC employers' adherence to the state-approved STC employer plan and STC payments.

A STC grant application must address all the requirements outlined above and be submitted on or before December 31, 2023. Attachment II includes an application checklist to help the state with development of its application.

Section 2110(c)(2) of the CARES Act requires the Secretary to notify the state of whether the requirements for a grant have been met within 30 days from the date a complete application is received. The 30-day period begins on the day following actual receipt of a complete application.

States should submit completed grant application(s) by electronic submission to the National Office at STC_Applications@dol.gov, with a copy to the appropriate ETA Regional Office.

9. **Recoupment of STC Grants.** Section 2110(f) of the CARES Act requires the Secretary to establish a process under which the Secretary will recoup the STC grant funds if, during the five-year period beginning on the first date that the grant is awarded, the state either terminates the state's STC program, or fails to meet the requirements of the STC program. The Secretary's determination to recoup a grant will be based on the State's law and its implementation of the law, including reviews of state legislation to ensure the state is maintaining a program meeting the requirements of section 3306(v) of FUTA. The Department will follow Uniform Guidance at 2 CFR Part 200 and 2 CFR 2900 in recouping any grant funds, if necessary.
10. **Technical Assistance.** The Department developed its STC website to provide the states with resources and tools. The STC website is located at <https://stc.workforcegps.org/>. The following is a short list of the material on the website:

- STC Guidance and Model Legislation;
- Resources for Developing a State Program;
- Business Outreach Templates and Materials;
- STC Summit Presentations and information provided at the Summit; and
- Resource library containing sample STC state documents and links to other resources.

Section 2110(e) of the CARES Act authorizes the Secretary "to use 0.25 percent of funds available under subsection (g) to provide for outreach and to share best practices with respect to short-time compensation programs." The Department will develop a webinar to provide states with examples of successful practices involving STC program implementation and outreach tools developed as a result of these STC grants and will post information on the UI Community of Practice web site. Additional resources and tools will also be added to the STC website, as appropriate.

11. Inquiries. States should direct inquiries to STC_Applications@dol.gov and copy the appropriate ETA Regional Office.

12. References.

- Sections 2108-2111 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Pub. L. 116-136, including Title II, Subtitle A, Relief for Workers Affected by Coronavirus Act;
- Sections 3304(a)(5) and 3306(v) of the Federal Unemployment Tax Act (FUTA);
- Section 303(a)(6) of the Social Security Act (SSA);
- 20 CFR Part 665, subpart C, *Rapid Response Activities*;
- 2 CFR Parts 200 and 2900;
- 29 CFR Parts 31, 32, 38, and 98;
- UIPL No. 21-20, *Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 – Short-Time Compensation (STC) Program Provisions and Guidance Regarding 100 Percent Federal Reimbursement of Certain State STC Payments*, issued on May 3, 2020, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=9622.
- UIPL No. 14-20, *Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 – Summary of Key Unemployment Insurance (UI) Provisions and Guidance Regarding Temporary Emergency State Staffing Flexibility*, issued on April 2, 2020, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=3390.
- UIPL No. 12-01, Change 1, *Outsourcing of Unemployment Compensation Administrative Functions-Claims Taking*, issued on November 26, 2007, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2558; and
- Training and Employment Guidance Letter (TEGL) No. 12-09, *Joint Guidance for States Seeking to Implement Subsidized Work-Based Training Programs for Unemployed Workers*, issued January 29, 2010, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2712.

13. Attachment(s).

- Attachment I – Section 2110 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act,
- Attachment II - Short-Time Compensation (STC) Application Checklist
- Attachment III - Short-Time Compensation (STC) Grant Quarterly Progress Report (QPR)
- Attachment IV- Short-Time Compensation (STC) Grants – Amounts
- Attachment V- Instructions for Completing the SF-424 and SF-424A

**Statutory Language of Section 2110 of the
Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020**

SEC. 2110. GRANTS FOR SHORT-TIME COMPENSATION PROGRAMS.

(a) GRANTS.—

(1) **FOR IMPLEMENTATION OR IMPROVED ADMINISTRATION.**—The Secretary shall award grants to States that enact short-time compensation programs (as defined in subsection (i)(2)) for the purpose of implementation or improved administration of such programs.

(2) **FOR PROMOTION AND ENROLLMENT.**—The Secretary shall award grants to States that are eligible and submit plans for a grant under paragraph (1) for such States to promote and enroll employers in short-time compensation programs (as so defined).

(3) ELIGIBILITY.—

(A) **IN GENERAL.**—The Secretary shall determine eligibility criteria for the grants under paragraphs (1) and (2).

(B) **CLARIFICATION.**—A State administering a short-time compensation program that does not meet the definition of a short-time compensation program under section 3306(v) of the Internal Revenue Code of 1986, and a State with an agreement under section 2109, shall not be eligible to receive a grant under this section until such time as the State law of the State provides for payments under a short-time compensation program that meet such definition and such law.

(b) AMOUNT OF GRANTS.—

(1) **IN GENERAL.**—The maximum amount available for making grants to a State under paragraphs (1) and (2) shall be equal to the amount obtained by multiplying \$100,000,000 (less the amount used by the Secretary under subsection (e)) by the same ratio as would apply under subsection (a)(2)(B) of section 903 of the Social Security Act (42 U.S.C. 1103) for purposes of determining such State's share of any excess amount (as described in subsection (a)(1) of such section) that would have been subject to transfer to State accounts, as of October 1, 2019, under the provisions of subsection (a) of such section.

(2) **AMOUNT AVAILABLE FOR DIFFERENT GRANTS.**—Of the maximum incentive payment determined under paragraph (1) with respect to a State—

(A) one-third shall be available for a grant under subsection (a)(1); and

(B) two-thirds shall be available for a grant under subsection (a)(2).

(c) GRANT APPLICATION AND DISBURSAL.—

(1) **APPLICATION.**—Any State seeking a grant under paragraph (1) or (2) of subsection (a) shall submit an application to the Secretary at such time, in such manner, and complete with such information as the Secretary may require. In no case may the Secretary award a grant under this section with respect to an application that is submitted after December 31, 2023.

(2) NOTICE.—The Secretary shall, within 30 days after receiving a complete application, notify the State agency of the State of the Secretary’s findings with respect to the requirements for a grant under paragraph (1) or (2) (or both) of subsection (a).

(3) CERTIFICATION.—If the Secretary finds that the State law provisions meet the requirements for a grant under subsection (a), the Secretary shall thereupon make a certification to that effect to the Secretary of the Treasury, together with a certification as to the amount of the grant payment to be transferred to the State account in the Unemployment Trust Fund (as established in section 904(a) of the Social Security Act (42 U.S.C. 1104(a))) pursuant to that finding. The Secretary of the Treasury shall make the appropriate transfer to the State account within 7 days after receiving such certification.

(4) REQUIREMENT.—No certification of compliance with the requirements for a grant under paragraph (1) or (2) of subsection (a) may be made with respect to any State whose—

(A) State law is not otherwise eligible for certification under section 303 of the Social Security Act (42 U.S.C. 503) or approvable under section 3304 of the Internal Revenue Code of 1986; or

(B) short-time compensation program is subject to discontinuation or is not scheduled to take effect within 12 months of the certification.

(d) USE OF FUNDS.—The amount of any grant awarded under this section shall be used for the implementation of short-time compensation programs and the overall administration of such programs and the promotion and enrollment efforts associated with such programs, such as through—

(1) the creation or support of rapid response teams to advise employers about alternatives to layoffs;

(2) the provision of education or assistance to employers to enable them to assess the feasibility of participating in short-time compensation programs; and

(3) the development or enhancement of systems to automate—

(A) the submission and approval of plans; and

(B) the filing and approval of new and ongoing short-time compensation claims.

(e) ADMINISTRATION.—The Secretary is authorized to use 0.25 percent of the funds available under subsection (g) to provide for outreach and to share best practices with respect to this section and short-time compensation programs.

(f) RECOUPMENT.—The Secretary shall establish a process under which the Secretary shall recoup the amount of any grant awarded under paragraph (1) or (2) of subsection (a) if the Secretary determines that, during the 5-year period beginning on the first date that any such grant is awarded to the State, the State—

(1) terminated the State’s short-time compensation program; or

(2) failed to meet appropriate requirements with respect to such program (as established by the Secretary).

(g) FUNDING.—There are appropriated, out of moneys in the Treasury not otherwise appropriated, to the Secretary, \$100,000,000 to carry out this section, to remain available without fiscal year limitation.

(h) REPORTING.—The Secretary may establish reporting requirements for States receiving a grant under this section in order to provide oversight of grant funds.

(i) DEFINITIONS.—In this section:

(1) SECRETARY.—The term “Secretary” means the Secretary of Labor.

(2) SHORT-TIME COMPENSATION PROGRAM.— The term “short-time compensation program” has the meaning given such term in section 3306(v) of the Internal Revenue Code of 1986.

(3) STATE; STATE AGENCY; STATE LAW.—The terms “State”, “State agency”, and “State law” have the meanings given those terms in section 205 of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

SHORT-TIME COMPENSATION (STC) APPLICATION CHECKLIST

This checklist will help states complete applications for an STC grant under Section 2110 of the Coronavirus Aid, Relief, and Economic Security Act to the Secretary of Labor. The use of this checklist is not mandatory, but its use is recommended to ensure completeness of the state's application.

Check List Item	Y	N	NA	Remarks
Cover letter signed and dated by the state administrator				
Name, telephone number, e-mail address of state STC program contact				
a. Copy of the state STC law along with an explanation of how the law conforms to Section 3306(v), Federal Unemployment Tax Act.				
b. If the state is applying for a grant to implement or improve administration of the state STC program, the state must submit a narrative description of the funding request and a detailed project plan. This project plan must include:				
i. A quarterly timeline for all of the implementation/improvement activities for the STC program including:				
ii. A description of any infrastructure implementation or improvements (e.g., information technology system(s) or operational upgrades) that the state has identified to automate or to improve the submission and approval of STC employer plans and initial and continued STC claims; and				
iii. A description of any plans to hire and train STC staff for STC program implementation.				
c. If the state is applying for a grant to promote and enroll employers in the STC program, the state must submit a narrative description of the funding request and a detailed project plan. This project plan must include a quarterly timeline for promotion and enrollment activities for the STC program, as well as:				
i. A description of any plans to create or improve support of Rapid Response teams to advise employers about alternatives to layoffs;				
ii. A description of education or assistance				

that will be provided to employers to enable them to participate in the STC program; and				
iii. A description of STC program outreach tools and efforts to be funded through the grant.				
d. Description of the state's quarterly and cumulative goals (<i>i.e.</i> , interim milestones necessary to meet the timelines for all grant activities) and desired outcomes for the STC program, which may include, but are not limited to: i. Outreach efforts and partnerships established to increase employer STC program awareness (<i>e.g.</i>, Labor Organizations, Rapid Response teams, and workforce system Business Services Representatives); ii. Increased awareness by employers educated or contacted about the STC program; iii. Improved skills and knowledge on the part of UI and workforce system staff trained about STC program activities; iv. Number of STC employer plans established; and v. Number of anticipated layoffs averted.				
e. Description (or copy) of the written agreements or Memoranda of Understanding (MOU) between the UI agency and appropriate workforce system partners, such as WIOA Rapid Response, Workforce System Business Service Representatives, and State/Local Workforce Investment Area(s), to develop a coordinated plan to avert layoffs;				
f. Description of how the state will sustain the activities that were funded by the STC grant(s) activities. This may include leveraging WIOA Rapid Response grant funds to support promotion and enrollment activities to encourage employers to participate in the STC program.				
g. Provide the following assurances:				
i. An assurance that the state will expend the awarded funds in accordance with the requirements of the STC grant(s);				

ii.	An assurance that the state will submit required reports on STC activities;				
iii.	An assurance that the state will recover any STC overpayments in accordance with the state UC law; and				
iv.	An assurance that the state will develop processes for auditing and monitoring STC employers' adherence to the state-approved STC employer plan and STC payments.				

Short-Time Compensation (STC) Grant Quarterly Progress Report (QPR)

State: _____
Project Director: _____
Quarter Ending: _____

Project Name: _____
Grant No: _____

Purpose: To track STC grant activities and ensure that the state achieves the desired goals set forth in the STC grant application.

Report Due Dates: This report is due 45 days after the end of each quarter (*i.e.*, on November 14, February 14, May 15, and August 14).

Section I. Implementation or Improved Administration Activities. *Include a narrative description of the implementation or administrative activities that occurred this quarter. If the state's quarterly goal is not achieved, then explain. Consider including the following, as applicable:*

- Progress toward implementing and improving STC procedures and systems;
- Progress in developing and enhancing systems to automate the STC program; and
- STC program administrative activities (*e.g.*, staff hired and/or staff training).

Section II. Promotion and Enrollment Activities. *Include a narrative description of the promotion and enrollment activities that occurred this quarter. If the state's quarterly goal is not achieved, then explain. Consider including the following, as applicable:*

- Progress in the state's promotion and enrollment activities;
- Creation and support of Rapid Response teams and/or other partnerships established to advise employers about the STC program;
- Education and assistance to employers about the STC program;
- Development of outreach materials and messaging tools; and
- Promotional activities (*e.g.*, meetings attended, media, mailings).

Section III. Outcomes. *Include a narrative description of the outcomes that occurred this quarter. If the states' quarterly goal is not achieved, then explain.*

Section IV. Success Stories. *Include any STC program success stories and achievements that occurred this quarter. Consider providing:*

- Employer or claimant success stories;
- Outreach/promotion/enrollment success stories; and
- Technology/administrative/operational improvement success stories.

Section V. Technical Assistance Needs. *Describe any STC program or grant-related technical assistance needs.*

Grants for STC Programs – Amounts

STATE	Short Time Compensation Distribution	Distribution	
		33% share	66% share
Alaska	208,491	69,497	138,994
Alabama	1,269,971	423,324	846,647
Arkansas	799,283	266,428	532,855
Arizona	1,909,689	636,563	1,273,126
California	11,767,738	3,922,579	7,845,159
Colorado	2,017,781	672,594	1,345,187
Connecticut	1,187,842	395,947	791,895
Dist. of Columbia	431,513	143,838	287,675
Delaware	305,339	101,780	203,559
Florida	5,928,629	1,976,210	3,952,419
Georgia	3,188,424	1,062,808	2,125,616
Hawaii	392,949	130,983	261,966
Iowa	1,002,882	334,294	668,588
Idaho	437,884	145,961	291,923
Illinois	4,187,442	1,395,814	2,791,628
Indiana	2,048,726	682,909	1,365,817
Kansas	950,722	316,907	633,815
Kentucky	1,253,728	417,909	835,819
Louisiana	1,267,698	422,566	845,132
Massachusetts	2,569,031	856,344	1,712,687
Maryland	1,674,218	558,073	1,116,145
Maine	382,579	127,526	255,053
Michigan	2,903,672	967,891	1,935,781
Minnesota	1,957,780	652,593	1,305,187
Missouri	1,834,214	611,405	1,222,809
Mississippi	712,491	237,497	474,994
Montana	267,224	89,075	178,149
North Carolina	3,029,549	1,009,850	2,019,699
North Dakota	240,498	80,166	160,332
Nebraska	605,746	201,915	403,831
New Hampshire	446,137	148,712	297,425
New Jersey	2,943,318	981,106	1,962,212
New Mexico	525,031	175,010	350,021
Nevada	1,065,774	355,258	710,516
New York	6,458,984	2,152,995	4,305,989
Ohio	3,503,807	1,167,936	2,335,871
Oklahoma	1,093,621	364,540	729,081
Oregon	1,264,460	421,487	842,973
Pennsylvania	3,776,990	1,258,997	2,517,993
Puerto Rico	438,654	146,218	292,436
Rhode Island	326,879	108,960	217,919
South Carolina	1,430,226	476,742	953,484
South Dakota	253,017	84,339	168,678
Tennessee	1,961,269	653,756	1,307,513
Texas	8,806,708	2,935,569	5,871,139
Utah	978,540	326,180	652,360
Virginia	2,674,255	891,418	1,782,837
Virgin Islands	17,437	5,812	11,625
Vermont	183,292	61,097	122,195
Washington	2,366,077	788,692	1,577,385
Wisconsin	1,886,749	628,916	1,257,833
West Virginia	438,005	146,002	292,003
Wyoming	177,037	59,012	118,025
US Total	99,750,000	33,250,000	66,500,000

Instructions Completing the SF-424 and SF-424A

I. Application for Federal Assistance (SF-424)

Use the current version of the form for submission. Expired forms will not be accepted. SF-424, Expiration Date 12/31/2022, Office of Management and Budget (OMB) Control No. 4040-0004 (Grants.gov). <http://www.grants.gov/web/grants/forms/sf-424-family.html>

Section # 8, APPLICANT INFORMATION:

- Legal Name: The legal name must match the name submitted with the System for Award Management (SAM). Please refer to instructions at <https://www.sam.gov>
- Employer/Tax Identification Number (EIN/TIN) : Input your correct 9-digit EIN and ensure that it is recorded within SAM
- Organizational DUNS: All applicants for Federal grant and funding opportunities are required to have a 9-digit Data Universal Numbering System (D-U-N-S®) number, and must supply their D-U-N-S® number on the SF-424. Please ensure that your state is registered with the SAM. Instructions for registering with SAM can be found at <https://www.sam.gov> . Additionally, the state must maintain an active SAM registration with current information at all times during which it has an active Federal award or an application under consideration. To remain registered in the SAM database after the initial registration, there is a requirement to review and update the registration at least every 12 months from the date of initial registration or subsequently update the information in the SAM database to ensure it is current, accurate, and complete. Failure to register with SAM and maintain an active account will result in a rejection of your submission.
- Address: Input your complete address including Zip code+4; Example: 20110-831. For lookup, use link at <https://tools.usps.com/go/ZipLookupAction!input.action>
- Organizational Unit: Input appropriate Department Name and Division Name, if applicable
- Name and contact information of person to be contacted on matters involving this application. Provide complete and accurate contact information including telephone number and email address for the point of contact

Section # 9, Type of Applicant 1: Select Applicant Type: Input “State Government”

Section # 10, Name of the Federal Agency: Input “Employment and Training Administration”

Section # 11, Catalog of Federal Domestic Assistance Number: Input “17.225”; CFDA Title: Input “Unemployment Insurance”

Section # 12, Funding Opportunity Number and Title: Input “UIPL No. 22-20, Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 –Guidance Regarding Short-Time Compensation (STC) Program Grants.”

Section # 13, Competition Identification Number: Leave Blank

Section # 14, Areas Affected by Project: Input the place of performance for the project implementation; Example “NY” for New York

Section # 15, Descriptive Title of Applicant’s Project: Input “Short-Time Compensation (STC) Program Grants”

Section # 16, Congressional Districts of:

- Applicant: Input the Congressional District of your home office. For lookup, use link at www.house.gov with Zip code + 4
- Program/Project: Input the Congressional District where the project work is performed. If it is the same place as your home office, input the congressional district for your home office. For lookup, use link at www.house.gov with Zipcode+4

Section # 17, Proposed Project

- Start Date: Input a valid start date for the project (earliest start date will be thirty days after the Department receives a complete application,)
- End Date: Input a valid end date for the project

Section # 18, Estimated Funding (\$): Input the estimated funding requested. Ensure that the funding requested matches the TOTALS in Section B – Budget Categories of the SF424A

Section #s 19 – 20: Complete as per instructions for Form SF-424

Section # 21, Authorized Representative: Please select the “I AGREE” check box and provide complete information for your authorized signatory including contact information such as telephone number and email address. If your Authorized Representative has changed from your previous application submission for this program, please include a letter from a higher-level leadership authorizing the new signatory for the application submission

Remember to get the SF-424 signed and dated by the Authorized representative

II. Budget Information -Non-Construction Programs (SF-424A)

Use the current version of the form for the submission. Expired forms will not be accepted. SF 424A, Expiration Date 02/28/2022, OMB Control No. 4040-0006
<https://apply07.grants.gov/apply/forms/readonly/SF424A-V1.0.pdf>

Section B – Budget Categories: Ensure that TOTALS in Section 6, Object Class Categories matches the Estimated Funding requested in the SF-424.