## The CARES ACT of 2020 and STC Grants

The purpose of [UIPL 22-20: CARES Act - STC Program Grants](https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=6220) is 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.

### Grant Purpose and Eligibility

* Grants are available for:
  + [Implementation or improved administration of an STC program](https://stc.workforcegps.org/resources/2020/11/29/22/01/ImplementSTC)
  + [Promotion and enrollment of employers in at STC program](https://stc.workforcegps.org/resources/2020/11/29/22/02/PromoteSTC)
* To qualify for any STC grant:
  + UC law must be certified under [Section 3304, FUTA](https://www.law.cornell.edu/uscode/text/26/3304), and [Section 303, SSA](https://www.law.cornell.edu/uscode/text/42/503),
  + STC law must Conform to the definition of a short time compensation program found in [Section 3306(v), FUTA](https://www.law.cornell.edu/uscode/text/26/3306#v), and
  + Not be 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 states with new STC laws, 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 to permit a transfer of funds for the STC grant award.

### Grant Amounts

* $99.75 million is available for grants to states. Each state’s share is based on its proportionate share of FUTA taxable wages on 10/1/19. See available grant amounts by state in [Attachment IV to UIPL 22-20.](http://wdr.doleta.gov/directives/attach/UIPL/UIPL_22-20_Attachment-4_Acc.pdf)
  + One-third of the total STC grant funds available to the state is for implementation or improved administration of the STC program.
  + 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.

### Grant Use

* STC grant funds must be used for the implementation or improved administration of state STC programs, and for promotion and enrollment efforts associated with such programs.   
  Allowable activities include:
  + Creation and support of Rapid Response teams to advise employers about alternatives to layoffs, including STC,
  + Provision of education or assistance to employers to enable them to assess the feasibility of participating in STC programs, and
  + 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.
* State UI agencies are strongly encouraged 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.

### Grant Applications

* States must submit complete applications by December 31, 2023.
* A separate application must be submitted for each grant. A checklist is available to help states complete the application in [Attachment II to UIPL No. 22-20](https://wdr.doleta.gov/directives/attach/UIPL/UIPL_22-20_Attachment-2_Acc.pdf). Each application must include:
  + Copy of state STC law and explanation of its conformity to [Section 3306(v), FUTA](https://www.law.cornell.edu/uscode/text/26/3304),
  + Cover letter signed by the state agency administrator,
  + Narrative description of funding request and a detailed project plan, including a quarterly timeline for all activities,
  + Description of quarterly and cumulative goals and desired outcomes resulting from the grant,
  + Assurances that state will follow grant requirements, submit required reports, recover any overpayments, and monitor approved plans and payments, and
  + Forms 424 and 424A.
* Applications for grants to implement or improve administration of STC programs must also include:
  + Any planned infrastructure improvements (e.g., automation/operational upgrades), and
  + Any plans to hire/train staff.
* Applications for grants to promote an STC program and enroll employers in it must also include:
  + Any plans to create/support Rapid Response teams, education or assistance to employers, and outreach tools,
  + A description/copy of MOU between UI agency and appropriate workforce system partners, and
  + A description of how the state will sustain activities that were funded by the grant.

The Secretary will notify the state within 30 days of receipt of a complete application if it meets the requirements for grant receipt.

For more information, see the [STC Community of Practice](https://stc.workforcegps.org/).