

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION Unemployment Insurance
	CORRESPONDENCE SYMBOL OUI/DPM
	DATE April 29, 2024

ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 11-23, Change 1

TO: STATE WORKFORCE AGENCIES

FROM: JOSÉ JAVIER RODRÍGUEZ 
Assistant Secretary

SUBJECT: Announcing an Extension of Period of Time that Funding will be Available to Cover Transaction Costs and Announcing the Establishment of a Deadline for States to Enter into Data Sharing Agreements (DSAs) for the National Identity Verification Offering (NIDVO) Established in Unemployment Insurance Program Letter (UIPL) No. 11-23

1. **Purpose.** To advise states that funding is expected to be available to cover transaction costs for a period of at least the two years after the date the state deploys NIDVO or two years after the date this UIPL is issued, whichever is later. In addition, this UIPL advises states that they must enter into a DSA with the U.S. Department of Labor (Department) by June 28, 2024 to participate in NIDVO with transaction costs covered by the Department.
2. **Action Requested.** The Department’s Employment and Training Administration (ETA) requests that State Workforce Agency Administrators provide information contained in this UIPL to appropriate staff and take appropriate and timely action if the state intends to participate in NIDVO.
3. **Summary and Background.**
 - a. Summary – On July 13, 2023, the Department issued UIPL No. 11-23 announcing three new funding opportunities to strengthen program integrity and resiliency, as well as an opportunity for states to participate in a National ID Verification Offering for both online and in-person ID verification services. In that UIPL, states were advised that over the next two (2) years, subject to the availability of funding and necessary agreements being in place, the Department will use American Rescue Plan Act (ARPA) funds to make available to states the government-operated ID verification systems developed by the U.S. General Services Administration (GSA) to verify identities online through Login.gov and by the U.S. Postal Service (USPS) to verify identities in person at participating USPS retail locations nationwide. That UIPL also provided that the Department will cover the transaction costs for ID verification for participating states during this process.

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As a result of the time the process for preparing for deployment of NIDVO requires, as well as the time and effort needed for states to complete activities funded by UIPL No. 11-23 grants, among other things, states need more time to begin participating in NIDVO and taking advantage of federally funded transaction costs. To provide states with an expanded opportunity to benefit from NIDVO, the Department is announcing that it will cover transaction costs for identity verification for participating states for at least the later of two years after the date the state deploys NIDVO or two years after the date of issuance of this UIPL, subject to the availability of funding, and all applicable agreements being executed. If there is sufficient funding available, the Department may cover transaction costs for a longer period of time for all states that have deployed or will deploy NIDVO.

In addition, the Department is establishing a deadline for states regarding participation in NIDVO and having transaction costs covered by the Department. States must have entered into a DSA with the Department by June 28, 2024. Note that additional agreements between the Department and the state are also required prior to deployment of NIDVO.

- b. Background – On March 11, 2021, the President signed ARPA into law (Public Law (Pub. L.) 117-2). Section 9032, ARPA, created a new Section 2118 of the CARES Act and provided for a \$2,000,000,000 appropriation to the Secretary of Labor (Secretary) to: (1) detect and prevent fraud, (2) to promote equitable access, and (3) to ensure timely payment of benefits to eligible workers with respect to UC programs. ARPA describes allowable uses of these funds, including awarding grants for such purposes to states and territories administering UC programs and for systemwide infrastructure investment and development. On June 3, 2023, the Fiscal Responsibility Act (FRA) was enacted into law (Pub. L. 118-5). Section 24 of Title I of Division B of FRA permanently rescinds \$1,000,000,000 of the unobligated balances of amounts made available by section 2118(a) of Title II of Division A of the CARES Act, as added by Section 9032 of ARPA. UIPL No. 10-23 was published on July 13, 2023, and rescinded previous funding opportunity announcements which were impacted by the statutory funding rescission.

For additional information on NIDVO, including responses to frequently asked questions, refer to the webinar conducted on January 24, 2024. A recording is available at <https://ui.workforcegps.org/events/2024/01/09/21/13/National-ID-Verification-Offering>. Note that state staff must create an account with WorkforceGPS to view the content.

4. Guidance.

- a. Extended period of Federal funding covering NIDVO transaction costs.

Section 4.c of UIPL No. 11-23 provides that the Department is offering government-operated ID verification systems to states that support online verification services through partnership with GSA's Login.gov and in-person verification services through partnership with USPS and that these offerings are being made available to states by the

Department using ARPA funds to directly cover at least two years of transaction costs, subject to the availability of funding and necessary agreements being in place. Because of the time needed for preparing and deploying NIDVO, as well as the time and effort needed for states to complete activities funded by UIPL No. 11-23 grants, among other things, the Department acknowledges that states would benefit from having an extended period to participate in NIDVO and receive the advantage of federally funded transaction costs. Therefore, the Department will cover transaction costs for identity verification for participating states for at least the later of two years after the date the state deploys¹ NIDVO or two years after the date of issuance of this UIPL, subject to the availability of funding. This means that:

- States that deployed NIDVO before April 29, 2024 are expected to have transactions covered until at least April 29, 2026.
- States that have not yet deployed NIDVO will be expected to have transaction costs covered until at least the date that is two years after the date they deploy NIDVO.

If there is sufficient funding available, the Department may cover transaction costs for a longer period of time for all states that have deployed or will deploy NIDVO.

b. Deadline to enter into NIDVO Data Sharing Agreement.

In addition, the Department is establishing a deadline for states regarding participation in NIDVO and having transaction costs covered by the Department. States must have entered into the required DSA with the Department by June 28, 2024. Note that additional agreements between the Department and the state are also required prior to deployment of NIDVO.

To support this timeline, the Department has created a template DSA which complies with the confidentiality requirements set forth in 20 C.F.R. Part 603. States are encouraged to proceed with the template language as-is. States may request additional discussion through their ETA Regional Office.

An extension of this deadline will only be considered if there are strong and compelling justifications beyond the control of the state that make it extremely difficult for this deadline to be met.

5. Inquiries. Please direct inquiries to the appropriate ETA Regional Office.

¹ A state is considered to have deployed NIDVO when technical connections to at least one of the identity verification services is completed and the state begins referring individuals to the service(s).

6. **References.**

- Division B, Title I, Section 24, of the Fiscal Responsibility Act of 2023 (Pub. L. 118-5);
- American Rescue Plan Act of 2021 (ARPA), including Title IX, Subtitle A, Crisis Support for Unemployed Workers (Pub. L. 117-2); and
- UIPL No. 11-23, *Announcement of Grant Opportunities and National Identity (ID) Verification Offering under the American Rescue Plan Act (ARPA)*, issued July 13, 2023, <https://www.dol.gov/agencies/eta/advisories/uipl-11-23>.

7. **Attachments.** None.