

Employment and Training Administration Advisory System U.S. Department of Labor Washington, D.C. 20210	CLASSIFICATION UI
	CORRESPONDENCE SYMBOL
	DATE July 15, 2009

ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 31-09

TO: STATE WORKFORCE AGENCIES

FROM: JANE OATES /s/
Assistant Secretary

SUBJECT: Unemployment Insurance (UI) Supplemental Funding
Opportunity for Automated Integrity Related Systems

- Purpose.** To notify State Workforce Agencies (SWAs) of the availability of Fiscal Year (FY) 2009 funds for technology-based overpayment prevention, detection, and collection infrastructure investments to support integrity-related activities.
- References.** ETA Handbook No. 336, 18th Edition, Change 1, Unemployment Insurance State Quality Service Plan Planning and Reporting Guidelines; and the Improper Payments Act of 2002.
- Background.** The FY 2009 appropriation provided funds for states to conduct in-person Reemployment and Eligibility Assessments for UI beneficiaries and directed that a portion of these funds be used for technology-based overpayment prevention, detection, and collection infrastructure investments in support of these activities. The Employment and Training Administration remains committed to the development of integrity-related systems focused on the proper payment of UI benefits, and states have expressed a need for additional funding to enhance the automation of their Benefit Payment Control (BPC) activities. The prevention, detection and collection of UI overpayments is an area in which the implementation of automated systems can result in significant savings of staff costs, increases in the dollar amount of overpayments recovered, reduction of the time from establishment to recovery of the overpayment, and prevention of future overpayments.

RESCISSIONS None	EXPIRATION DATE July 15, 2010
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4. **Use of FY 2009 Integrity-Related Funds.** Approximately \$9-10 million is available. The amounts awarded will be based on the number and types of requests submitted. These funds can be used for technology-based overpayment prevention, detection, and collection infrastructure investments in support of integrity-related activities. All funds are to be used for technology investments, and all expenditures must be related to automation.

Use of these one-time funds should be geared toward investments that will provide future returns. The use of these funds to add staff needed to process workloads will not be funded as a part of this Supplemental Budget Request (SBR) opportunity.

Examples of acceptable projects are located in Attachment A. The examples include the Separation Information Data Exchange System (SIDES), data matching with other Federal and state agencies, and internal data matching. In addition, states may propose other technology-based overpayment prevention, detection and collection activities. States may also request funds to improve existing integrity systems.

5. **Consortia Proposals.** States may form a consortium to implement a technology-based project designed to prevent, detect or recover improper UI payments. The proposal must identify the responsible state agency and its partners and explain the projected allocation of and fiscal responsibility for expenditures. The proposal must include a signed agreement to participate in the project from each participating state. The letter should be signed by the SWA Administrator and should explain the role of the participating state(s) in the project.
6. **SBR Scoring Criteria.** The scoring criteria for these proposals are explained in Attachment B. The value of each of the scoring elements is also provided. States should address each element providing the information as it is defined in the guidelines.

States fully utilizing the National Directory of New Hires in both BPC and Benefit Accuracy Measurement operations will be awarded 10 points of the possible 100 points. Proposals must meet a minimum score of 80 points to be funded.

7. **Application and Award of Supplemental Funds.** States may submit individual proposals for any or all of the purposes described above in one SBR package. However, states are requested to prioritize if submitting multiple requests. Each proposal will be considered a separate section of

the state's SBR, and each proposal will be evaluated individually. When the same expenditures are proposed in two different proposals and would be duplicated if both were funded, the state must provide a brief description in both proposals explaining this duplication to ensure that the same costs are not funded twice.

These one-time funds will be made available through the SBR process and must be obligated by states by September 30, 2011, and liquidated within 90 days of that date. Upon written request, the grant officer may extend the liquidation period. An obligation of the funds by September 30, 2011, to an outside contractor (not to another state agency) allows for work supported by these funds to continue beyond the cited dates, but only if an extension of the liquidation period is approved by the Grant Officer. By applying for these funds, states are assuring that these projects will be completed with no additional Federal funding.

When projects have been approved, a Letter of Award will be issued to the state(s) listing the proposals that are being funded in the SBR. It will include both the funding level for each proposal and the total funding level for the state's entire SBR. States must submit forms SF 424 (OMB No. 4040-0004) and SF 424A (OMB No. 4040-0006) covering all approved projects in the SBR upon receipt of this Letter of Award.

8. **Project Management.** If, during the performance period, a state wishes to move funds among categories within its SBR, a new SF 424A (OMB No. 4040-0006) must be submitted to the Regional Office for approval, with a copy to the National Office if the amount to be moved exceeds 20 percent of any category in the initially awarded amount for the project. The state must also submit a request for modification of the grant signed by the state's signatory authority. This information will be submitted to the Grant Officer with a request for modification of the SBR to reflect the requested changes. States may not elect to abandon an approved (single) project and move funds to a different project. If a project is not undertaken by the state, funds for that project must be returned to the Department.

9. **Action Requested.** SWA Administrators are requested to:

- (a) Review the funding opportunities and determine which activities might be appropriate for the state's current operations,
- (b) Establish any necessary coordination between the UI program staff and Information Technology staff to develop a proposal(s) under this solicitation,

(c) Work with the appropriate Regional Office to develop an SBR that will best serve the needs of the state, and

(d) Submit SBRs including Attachment C by email to the OWS.SBR@dol.gov by close of business on August 10, 2009, with an electronic copy to the appropriate Regional Office.

10. Inquiries. Inquiries should be directed to the appropriate Regional Office.

11. OMB Approval. These instructions will be submitted to the Office of Management and Budget (OMB). Therefore, they should be considered draft instructions for a proposed data collection. ETA will notify states upon OMB approval and communicate any changes deemed necessary during the OMB approval process.

12. Attachments.

Attachment A Examples of Technology Based Projects to Prevent, Detect, or Collect Overpayments

Attachment B 2009 Supplemental Budget Request Format for Activities in Support of Technology Based Overpayment Prevention, Detection, and Collection Infrastructure Investments

Attachment C Unemployment Insurance Supplemental Budget Request Summary Benefit Payment Control