

<b>EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210</b>	<b>CLASSIFICATION</b> Unemployment Insurance
	<b>CORRESPONDENCE SYMBOL</b> OUI/DPM
	<b>DATE</b> May 26, 2023

**ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 07-23**

**TO:** STATE WORKFORCE AGENCIES

**FROM:** BRENT PARTON /s/  
Acting Assistant Secretary

**SUBJECT:** Announcement of a Grant Opportunity to Support State Unemployment Insurance (UI) Information Technology (IT) Modernization Activities Under the American Rescue Plan Act (ARPA)

- Purpose.** To notify states of the availability of funding for UI modernization, with a focus on improving the flexibility of IT systems through modular and evidence-driven approaches. This funding includes up to \$600 million for states to support UI IT modernization activities and up to \$53 million for states to participate in ARPA program activities offered by the U.S. Department of Labor (Department) related to IT modernization, under a single grant award.
- Action Requested.** The initial grant application for the funding opportunities described under Section 4.c. of this Unemployment Insurance Program Letter (UIPL) are due by the close of business on **July 28, 2023**. States may pursue one or both funding opportunities described in this UIPL using a streamlined grant application process.

The Department’s Employment and Training Administration (ETA) requests that State Workforce Agency Administrators:

- Review the funding opportunities for *State UI IT Modernization*, described in Section 4.c.i. of this UIPL, and for *State Participation in Department-Sponsored ARPA Program Activities*, described in 4.c. ii. of this UIPL, to determine if the state will apply for one or both components as described under this announcement.
- Coordinate with appropriate state staff to develop an Initial Application as described in Section 4.c.iii.B. of this UIPL, respectively.
- Submit the application materials for one or both components described in this UIPL via [www.grants.gov](http://www.grants.gov) by the close of business on **July 28, 2023**.

<b>RESCISSIONS</b> None	<b>EXPIRATION DATE</b> Continuing
----------------------------	--------------------------------------

### 3. Summary and Background.

- a. Summary – This UIPL announces a funding opportunity, with one component to support state UI IT modernization activities, and second component to support state participation in Department-sponsored ARPA program activities.

**Support for state UI IT modernization activities.** The grant opportunity for state UI IT modernization includes a total of \$600 million for UI IT modernization activities, as described in Section 4.c.i. of this UIPL.<sup>1</sup> Regardless of size and modernization status, each state may receive up to \$11.25 million under this component to engage in one or more of the activities identified by the Department in Attachment I to this UIPL. The main objective is to assist states in adopting modular approaches that make their systems easier to maintain and modify. This involves breaking down large, complex systems into smaller components that can be managed and updated independently. The grant opportunity focuses on targeted but high value activities that support an incremental and evidence-driven approach to IT modernization, rather than complete system overhauls. It is also aimed at promoting software reuse across states and so states are encouraged, but not required, to consider how resulting code or artifacts developed through these funds can be made available as open source for other states to reference, adapt, or use themselves. Attachment I to this UIPL provides a detailed description of the activities for IT modernization work for which this funding may be used. Attachment II to this UIPL provides promising practices and sample projects that align with these activities.

**Support for state participation in Department-sponsored ARPA program activities.** The second component of this funding opportunity will support state participation in Department-sponsored ARPA program activities. As described in Section 4.b. of this UIPL, part of the Department’s multi-faceted approach to UI IT modernization is to engage with states to develop and test various solutions, resources, and approaches that can be used by the system more broadly. Examples of these Department-sponsored ARPA program activities are described in Section 4.b.i. of this UIPL. States may express interest in participating in these activities to their ETA Regional Office. The list of available Department-sponsored ARPA program activities is expected to change over time based on state need, interest, and capacity.

The second component of the grant funding offered in this UIPL for states to participate in Department-sponsored ARPA program activities includes a total of \$53 million. Each state may receive up to \$1.0 million for this purpose. In anticipation of current and future Department-sponsored ARPA program activities, states are strongly encouraged to apply for the funding being made available with this announcement. States that opt not to pursue funding under this opportunity may still

---

<sup>1</sup> Since Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau do not operate regular UC programs, this grant opportunity is not being made available to these jurisdictions.

participate in current and future Department-sponsored ARPA program activities, though additional funding to cover such participation may not be available.

**Two-step application process.** The grant application and award process for both components of the funding announced with this UIPL will be completed in two stages. To receive funding, the state must complete an Initial Application as described in Section 4.c.iii.B. of this UIPL. Upon receipt and processing of the Initial Application, a Notice of Award (NOA) will be sent to the state.

- To drawdown funds from this NOA for state UI IT modernization activities (up to \$11.25 million per state), the state must submit a Full Project Amendment, as described in Section 4.c.iii.C. of this UIPL that includes, among other things, a Budget Information Narrative (*see* Attachment VI of this UIPL) and Full Project Amendment, with detailed information about the projects to be undertaken. The Full Project Amendment must be submitted within 90 calendar days of the NOA.
- To drawdown funds from this NOA for Department-sponsored ARPA program activities (up to \$1 million per state), the state must submit a Participation Package, as described in Section 4.c.iii.D. of this UIPL. States may participate in more than one Department-sponsored ARPA program activity. The state must submit and gain approval of a Participation Package for each activity. Participation Package(s) may be submitted at any time during the Period of Performance.

**Grant terms and conditions.** The period of performance for both opportunities under this grant is five years and is described further in Section 4.c.iv. of this UIPL. Additionally, as described in Section 4.c.iii.A. of this UIPL, receipt of funding under this UIPL is conditioned on the requirements below:

- The state provides all confidential unemployment compensation (UC) information to the Department of Labor’s Office of Inspector General (DOL-OIG) for purposes of investigating fraud and performing audits.
- Prior to drawing the funding awarded under this UIPL the state must:
  - for funding of State UI IT Modernization Activities - submit a Full Project Amendment (described in Section 4.c.iii.C.) and agree to share lessons learned and report outcomes; and
  - for funding to support Participation in Department-sponsored ARPA Program Activities – submit a Participation Package (described in Section 4.c.iii.D.) and agree to provide feedback on the effectiveness and experience of their participation.

This grant is subject to the requirements of 2 CFR Parts 200 and 2900, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

**Relationship with other ARPA grant opportunities.** The Department recognizes that states may also receive funding under other ARPA grants to strengthen integrity, promote equitable access, and ensure the timely payment of benefits in the UI program. The activities funded under this UIPL are designed to complement those opportunities, either by funding new IT-focused activities or by expanding on or enhancing existing efforts.

- b. Background – On March 11, 2021, ARPA was signed into law (Public Law (Pub. L.) 117-2). Section 9032, ARPA, creates a new Section 2118 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act (Pub. L. 116-136) and appropriates \$2,000,000,000 to be used to detect and prevent fraud, to promote equitable access, and to ensure timely payment of benefits to eligible workers with respect to Unemployment Compensation 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.

Section 9032, ARPA, was a response to the challenges experienced during the pandemic, and the difficulties many states face in modernizing antiquated UI IT systems. Recognizing the importance of system infrastructure investment, Section 2118 specifies that infrastructure investments and grants to states are allowable uses of the funds. Within the context of IT Modernization, the Department reminds states of the impact that the activities described in Attachment I to this UIPL can have on customer experience. An effective approach to strengthening the nation’s UI systems starts with the recognition that modernization is a continual process of addressing unmet needs, rather than just adopting a specific technology.

UIPL No. 03-23, published on March 6, 2023, announced to states the availability of Department-funded operational and technical resources and services to states to assist in implementing ARPA-related projects. These projects include state-specific IT programming/development support to facilitate the implementation of application and UI system enhancements necessary to implement state ARPA-formula-funded grant projects offered in UIPL Nos. 22-21, 23-21, 02-22, and future ARPA-formula-funded grant projects.

Training and Employment Notice (TEN) No. 16-21 informed states about grant opportunities to build and pilot model technologies as part of the Claimant Experience pilot. The \$53 million funding opportunity detailed in Section 4.c.ii. of this UIPL supplements this guidance and provides additional resources for states to engage with the Department on projects related to technology modernization and operational improvements.

Additionally, states are reminded that state labor market information (LMI) offices, claimants, employers, and third-party agents (TPAs) are important stakeholders and

partners when states are modernizing their UI IT systems and need to be included during the UI modernization project lifecycle (see TEN No. 14-19).

4. **UI IT Modernization.** The Department is taking a multi-faceted approach to modernization for the UI program. This includes investing in state business processes and projects specifically focused on three goals of ARPA: strengthening integrity, promoting equitable access, and ensuring the timely payment of benefits. See UIPL Nos. 22-21 and its Changes; 23-21 and its Changes, 02-22 and its Changes; and 11-22.

First, this UIPL announces an investment in individual state IT modernization activities and systems in a way that lowers the cost of change (as described further in Section 4.a. of this UIPL). Second, this UIPL announces an investment to support state participation in Department-sponsored ARPA program activities that capitalize on economies of scale and commonalities across state UI programs (as described further in Section 4.b. of this UIPL). As part of this investment, the Department is making available a total of \$600 million for state UI IT modernization activities and a total of \$53 million to support state participation in Department-sponsored ARPA program activities. The funding details of this grant are described in Section 4.c. of this UIPL.

- a. **Vision for the Modernization of State UI IT Systems.** The Department is making available funding to support individual state UI IT modernization activities. An effective approach to modernization starts with the viewpoint that technology is always evolving and that state systems must be responsive to changing needs. It is critical for all states to develop a system architecture that can scale to meet increases in demand, which often occur at the same time states need to adapt to new federal programs and changing fraud threats. However, many states struggle to adapt their systems due in part to how the systems were designed and constraints that accompany legacy technology. The resulting inflexibility and brittleness of these systems means that even relatively “simple” changes can be prohibitively costly, time-consuming, and risky.

The technical term for the brittle and inflexible systems commonly in use today is called “monolithic.” Monolithic software is designed to operate as one big chunk rather than as a series of independently managed parts. The challenge with monoliths is that they are more difficult to maintain and evolve because the various components of the system cannot be easily changed or replaced without affecting the system more broadly.

Instead of monolithic system architectures, the Department encourages states to pursue modular and incremental approaches when modernizing their systems. This approach involves “breaking down” complex monoliths into smaller, more interchangeable components (*i.e.*, modules) that are easier to change and maintain. Modular approaches can also make it easier for states to integrate new technologies and may be accomplished using a wide range of tactics, including using standard interfaces, leveraging Application Programming Interfaces (APIs), adopting cloud

technology, using open-source software, and adopting user-centric and agile development practices.

- b. **Department-Sponsored ARPA Program Activities.** The Department is providing a variety of resources aimed at helping states modernize and improve in measurable ways – working with states to identify, develop, and test solutions and approaches, including modular technologies, which have the potential to benefit the system more broadly. Given the collaborative and evidence-driven nature of these ARPA program activities, some level of staff time from participating states is typically required.

The Department-sponsored ARPA program activities and related resources are expected to evolve over time based on identified state need, interest, and capacity. For example, the Department previously provided funding to two states to participate in the Claimant Experience Pilot as announced in TEN No. 16-21.

Given the collaborative and evidence-driven nature of these ARPA program activities, some level of staff time from participating states is typically required. Funding is available to support state participation costs, as described further in Section 4.c.ii. of this UIPL.

- i. ***Examples of Department-Sponsored ARPA program activities.*** Some examples of Department-sponsored activities that are available at the time of publication for this UIPL include:

- **Plain Language.** Investment in clear language and information architecture to improve the customer experience, including the development of centralized plain language resources developed by the Department published at: <https://www.dol.gov/agencies/eta/ui-modernization/language-portfolio>.
- **Mobile Usability.** Investment in improving the mobile usability of UI program digital services, described at: <https://www.dol.gov/agencies/eta/ui-modernization/blogs/go-mobile-friendly>.
- **Claim Status.** Investment in tracking tools that provide claimants with clear information on the status of their claim and information about action steps, including a model claims status toolkit published here: <https://www.dol.gov/agencies/eta/ui-modernization/claims-status>.
- **ID proofing through Login.gov and U.S. Postal Service (USPS).** Investment in federal public options for digital and in-person identity verification.

- ii. ***Expressing Interest to Participate in Department-Sponsored ARPA Program Activities.*** The Department will continue to notify states of available

Department-sponsored activities through the ARPA pages on WorkforceGPS, [https://www.workforcegps.org/resources/2023/04/UI\\_Content/Public\\_ARPA\\_External](https://www.workforcegps.org/resources/2023/04/UI_Content/Public_ARPA_External) and the UI Modernization reference site, <https://www.dol.gov/agencies/eta/ui-modernization>. States interested in learning about these Department-sponsored resources should first look at samples of work with other states and contact their ETA Regional Office, which will connect them with the appropriate offices within the Department.

Upon expression of interest, the Department will contact the state for further engagement, which will include discussion around project details, scope, timing, resource commitment, project expectations, and funding. After these conversation(s), the state and Department will make informed decisions about how to proceed, including expectations and responsibilities.

All states that choose to participate in one or more of the Department-sponsored ARPA program activities will be asked to execute a Partnership Agreement between the state and the Department detailing the deliverable associated with a specific Department-sponsored ARPA program activity, as well as the respective roles and responsibilities of the state and the Department for the applicable activity.<sup>2</sup>

- c. **Grant to Support UI IT Modernization Efforts.** The Department is making funding available to support state UI IT modernization activities, as well as funding to support state participation in Department-sponsored ARPA program activities, under a single grant award. States may choose to pursue funding under one or both of these investments.

In anticipation of current and future Department-sponsored ARPA program activities, as described in Section 4.b. of this UIPL, states are strongly encouraged to apply for these funds immediately. States that opt not to pursue funding under this opportunity may still participate in current and future Department-sponsored ARPA program activities; however, additional funding to cover such participation may not be available.

- i. **State UI IT Modernization Activities.** Through this funding opportunity, the Department is providing up to \$600 million for states to invest in at least one of the following modular and evidence-driven approaches. Each of these activities are described in more detail in Attachment I to this UIPL. Attachment II to this UIPL describes promising practices and sample projects that align with these activities.

---

<sup>2</sup> The Department may incorporate a data sharing agreement as part of the Partnership Agreement with the state, which also may cover multiple Department-sponsored IT modernization activities with a Partnership Addendum providing specific terms for each respective activity in which the state chooses to participate.

- Cloud migration;
- Outcome-driven enhancements;
- Modular and API-driven approaches;
- Automation and efficiency;
- Agile development practices;
- Defining and measurably improving the customer experience (CX);
- Flexible content changes;
- Promoting software reuse; and
- Other projects that support more modular and evidence-driven approaches toward modernization.

A. **Allowable Uses.** States may use these funds to cover costs associated with the activities listed above and described in Attachment I to this UIPL.

B. **Amount per State.** Each state,<sup>3</sup> regardless of size, may receive up to \$11.25 million for these purposes.

The Department anticipates that additional funding may be made available in the future to further support these state efforts if states do not all request the full amount available under this UIPL. If this were to occur, the Department will issue a change to this UIPL to inform states of the requirements to apply for any remaining available funding for UI IT modernization activities.

ii. **Participation in Department-Sponsored ARPA Program Activities.**

Through this funding opportunity, the Department is also announcing a total of \$53 million for states to participate in Department-sponsored IT modernization activities, as described in Section 4.b. of this UIPL.

In anticipation of current and future Department-sponsored ARPA program activities, states are encouraged to apply for these funds immediately and then drawdown the amounts as necessary to participate in approved activities. States that opt not to pursue this component of funding under this opportunity may still participate in current and future Department-sponsored activities; however, funding to cover such participation may not be available and states would need to use funding from other sources.

A. **Allowable Uses.** States may use the funds available under this grant opportunity to cover the costs associated with participation in one or more of the Department-sponsored ARPA program activities. Use of these grant funds require participation in one or more of the Department-sponsored activities.

---

<sup>3</sup> Since Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau do not operate regular UC programs, this grant opportunity is not being made available to these jurisdictions.



Grant funds may be used for state expenses incurred for implementing a new centralized service, or centrally provided solution, or participating in the design and testing of an ARPA program activity meant to test the development of a service whose delivery can be expanded nationally, such as the login.gov or USPS examples described above. Funding provided by this grant may be used by states for the cost of hiring vendors or acquiring software or hardware, but only to the extent such costs are incurred as part of the state's participation in a Department-sponsored activity.

B. **Amount per State.** Each state,<sup>4</sup> regardless of size, may request up to \$1 million for these purposes.

iii. **Application Instructions.** The grant application and award process for funding under this UIPL will be completed in two stages. To receive funding, the state must agree to the conditions described in Section 4.c.iii.A. of this UIPL and complete an Initial Application as described in Section 4.c.iii.B. of this UIPL. Upon receipt and processing of the Initial Application, a NOA will be sent to the state. The Period of Performance is described in Section 4.c.iv. of this UIPL and the Reporting Requirements are described in Section 4.c.v. of this UIPL.

To drawdown funds from this NOA for state UI IT modernization activities (up to \$11.25 million per state), the state must submit a Full Project Amendment, as described in Section 4.c.iii.C. of this UIPL.

To drawdown funds from this NOA for Department-sponsored ARPA program activities (up to \$1 million per state), the state must submit a Participation Package, as described in Section 4.c.iii.D. of this UIPL. States may participate in more than one Department-sponsored ARPA program activity. The state must submit a Participation Package for each activity. Participation Package(s) may be submitted at any time during the Period of Performance.

A. **Conditions of Receiving Grant Funding under this UIPL.** By submitting an Initial Application as described in Section 4.c.iii.B. of this UIPL, the state must agree to the following conditions.

1. The state will disclose UC information to DOL-Office of Inspector General (OIG). As discussed in UIPL No. 04-17,

---

<sup>4</sup> Since Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau do not operate regular UC programs, this grant opportunity is not being made available to these jurisdictions.

Change 1, states must refer allegations that they reasonably believe constitute UC fraud, waste, abuse, mismanagement, or misconduct to the DOL-OIG. As a condition of receiving a grant under this UIPL, the state also agrees to provide all confidential UC information to DOL-OIG for purposes of investigating fraud and performing audits through weeks of unemployment ending on or before the end of the Period of Performance as described in Section 4.c.iv. of this UIPL.

2. For funding of State UI IT Modernization Activities:
  - a. The state agrees to submit a Full Project Amendment to drawdown funds for State UI IT Modernization Activities, as described in Section 4.c.iii.C. of this UIPL, within 90 calendar days after receiving the NOA. The grant funds will not be released until the Full Project Amendment is approved; consequently, no grant funds from this component may be drawn down by the state until after the Full Project Amendment has been approved by the Grant Officer.
  - b. The state agrees to share lessons learned and report outcomes on one or more of desired outcome metrics in Attachment I to this UIPL.
3. For funding to support Participation in Department-sponsored ARPA Program Activities:
  - a. The state agrees to submit a Participation Package to drawdown funds to participate in Department-Sponsored ARPA program activities, as described in Section 4.c.iii.D. of this UIPL. Recognizing that the inventory of Department-sponsored ARPA program activities will change and evolve over time, there is no deadline for submitting a Participation Package. States may also submit more than one Participation Package may be submitted (*i.e.*, if the activities that the state wants to participate in change, the state would submit an Amended Participation Package to participate in additional Department-sponsored ARPA program activities). The grant funds approved for the activity will not be released until the Participation Package for the activity is approved by the Department; consequently, no grant funds for an activity may be drawn down by the state until after the applicable Participation Package has been approved.

- b. The state agrees to provide feedback on the effectiveness and experience of their participation, which may include collecting and sharing relevant metrics and responding through surveys.

States that anticipate serious challenges with meeting the timeframe for submitting a Full Project Amendment may submit an extension request via their ETA Regional Office as soon as possible before the end of the 90-calendar day period. ETA expects that requests for an extension will be rare. Approvals can only be provided by the Grant Officer.

**B. Initial Application.** The Initial Application must be submitted via [www.grants.gov](http://www.grants.gov) by the close of business **July 28, 2023**. The Initial Application package must include:

- **SF-424** – An SF-424 (instructions provided in Attachment V to this UIPL). Please note that if the state intends to apply for both components of the UI IT Modernization Grant funds, the total amount of funds (i.e., the sum of both funding components, up to \$12.25 million per state) requested under the single grant award must be included in the SF-424.

To attest compliance with the conditions described in Section 4.c.iii.A. of this UIPL, the state must check the “I AGREE” box under Item 21 and include the appropriate language in Item 15 (as indicated in the instructions for completing the SF-424 under Attachment V of this UIPL). States should maintain any supporting documentation that serves as evidence for meeting the required conditions.

- **Initial Project Plan** – States applying to receive funding for State UI IT Modernization Activities must submit a high-level description as described in Attachment III of this UIPL. This initial project plan includes a short description of the UI IT projects the state intends to undertake, indicating which of the nine types of activities (reference Attachment I of this UIPL) the state intends to use grant funds to complete.
- **Letter expressing interest in and anticipated need for funding to participate in Department-sponsored ARPA program activities** – States applying to receive funding for participation in Department-sponsored ARPA program activities must submit a letter indicating their interest in participating in these activities and their request for a specific funding amount for this purpose.

Upon receipt and processing of the Initial Application, a NOA will be sent to the state.

**C. Full Project Amendment for State UI IT Modernization Grant**

**Activities.** As noted in Section 4.c.iii.A. of this UIPL, the Full Project Amendment must be submitted to the appropriate ETA Regional Office, within 90 calendar days of the date of issuance of the NOA.

The Full Project Amendment package must include:

- Copy of previously submitted SF-424 from the Initial Application.
- SF-424A.
- Negotiated Indirect Cost Rate Agreement (NICRA).
- Full Project Plan: The Department will provide a template via a Change to this current UIPL for states to complete when submitting their full Project Plan. Attachment IV to this UIPL provides questions for states to consider as they are thinking through the development of a Full Project Plan.
- States are encouraged to contact their ETA Regional Office and participate in supportive webinars, office hours, and other tools provided by the Department when developing their Full Project Plan.

Upon receipt of the Full Project Amendment, the Department will review and work with the state to approve the proposal. Please note that a submittal of the Full Project Amendment does not constitute approval by ETA, as final approval must be provided by the Grant Officer. Once approved, the Full Project Amendment will comprise an official amendment to the initial NOA, and the conditions of the award that previously restricted access to funds will be resolved.

**D. Participation Package Modification for Department-sponsored**

**ARPA Program Activities.** As noted in Section 4.c.iii.A. of this UIPL, a Participation Package must be submitted when a state and the Department agree to collaborate on Department-sponsored ARPA program activities and the state requires funding to support this participation. The Department will collaborate with the state, including through negotiations on a participation agreement that includes expectations and responsibilities, and the amount of funding needed for the IT solutions services to be provided. The Participation Package must include:

- Copy of previously submitted SF-424 from the Initial Application.
- SF-424A.
- Negotiated Indirect Cost Rate Agreement (NICRA).
- A fully executed Partnership Agreement between the state and the Department detailing the deliverable associated with a specific Department-sponsored ARPA program activity, as well as the respective roles and responsibilities from the state and the Department for the applicable activity.<sup>5</sup>
- Budget Information Narrative.
- Full Project Plan.

Upon receipt of the Participation Package, the Department will review and work with the state to approve the proposal. Please note that a submittal of the required Participation Package does not constitute approval by ETA, as final approval must be provided by the Grant Officer. Once approved, the Participation Package will be an official amendment to the initial NOA, and the conditions of the award that previously restricted access to additional funds will be resolved.

- iv. **Period of Performance.** The five-year period of performance for grants awarded under this UIPL begins on the date the award is executed (*e.g.*, the date of the NOA). States must fully obligate all funds one quarter before the period of performance ends and must liquidate all funds within 90 days thereafter. Funding for state staff costs may not be obligated for use at a future date and the obligation may only occur at the time the staff performs services on the project/activity.

Grant funds may only be used for costs of activities incurred no earlier than the beginning of the calendar quarter preceding the calendar quarter upon execution of the award.

- v. **Reporting Requirements.** For the grant awarded under this UIPL, states must provide:
- A. **ETA 9178-ARPA** – a quarterly narrative progress report containing updates on the implementation and progress of each grant project/activity. The form ETA 9178-ARPA is provided as Attachment VII to this UIPL;

---

<sup>5</sup> The Department may opt to execute this Partnership Agreement to include a data sharing agreement with the state that may be applied to multiple Department-sponsored ARPA program activities and accompanied by a Partnership Addendum for each respective activity that the state chooses to participate in.

B. **ETA 9130 (OMB Control No. 1205-0461 Expiration Date: 01/31/2025)** – a quarterly financial report.

C. **A Note on the UI IT Modernization Pre-Implementation Planning Checklist. (OMB Control No. 1205-0527 Expiration Date: 06/30/2023)** The Department published UIPL No. 11-18, Change 1, announcing revisions to ETA 9177, *UI IT Modernization Pre-Implementation Planning Checklist Report*. The information gathered in the ETA 9177 Report must be used by states to prepare for the implementation of new UI IT systems and to ensure the availability of mission-critical functions. The ETA 9177 Report is required when a state is modernizing a major component of a UI IT system or systems. A major component can be a full benefits or tax system, or it can be a significant component subset, such as continued claims certification or adjudication. An ETA 9177 Report submission is not necessary when a state is merely upgrading subcomponents of a system, such as enhancing the front-end interface for claims intake. Other instances where a state is not required to submit an ETA 9177 Report include ongoing maintenance activities: database upgrade, IT server upgrades, replacing any obsolete hardware/software, etc. When proceeding with approved activities for the State UI IT Modernization Grants, states should review the ETA 9177 Report and associated UIPL to determine what, if any, reporting may be required under ETA 9177.

Any additional reporting requirements that may be established will be addressed in changes to this UIPL.

d. **Office of Management and Budget (OMB) Information Collection.** In general, under the Paperwork Reduction Act of 1995 (PRA), no person is required to respond to a collection of information unless such collection displays a valid OMB control number. However, Section 2116 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act provides that the PRA does not apply to Subtitle A of Title II of Division A of the CARES Act. ARPA amended Subtitle A of Title II of Division A of the CARES Act by adding Section 2118, which provides funding and authority for these grants to states. Thus, the PRA does not apply to information collections required for these grants.

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

## 6. References.

- American Rescue Plan Act of 2021 (ARPA), including Title IX, Subtitle A, Crisis Support for Unemployed Workers (Pub. L. 117-2);
- Coronavirus Aid, Relief, and Economic Security (CARES) Act, Title II, Subtitle A – Relief for Workers Affected by Coronavirus Act (Pub. L. 116-136);
- Sections 302(a) and 303 of the Social Security Act; 2 C.F.R. Parts 200 and 2900, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
- UIPL No. 03-23, *Availability of U.S. Department of Labor (Department) Funded Resources and Services to State American Rescue Plan Act (ARPA) Grantees*, issued March 6, 2023, <https://www.dol.gov/agencies/eta/advisories/uipl-03-23>;
- UIPL No 02-22, *Grant Opportunity to Support States Following a Consultative Assessment for Fraud Detection and Prevention, Promoting Equitable Access, and Ensuring the Timely Payment of Benefits, including Backlog Reduction, for all Unemployment Compensation (UC) Programs*, November 2, 2021, [https://www.dol.gov/sites/dolgov/files/ETA/advisories/UIPL/2021/UIPL\\_02-22.pdf](https://www.dol.gov/sites/dolgov/files/ETA/advisories/UIPL/2021/UIPL_02-22.pdf);
- UIPL No 23-21, *Grant Opportunity for Promoting Equitable Access to Unemployment Compensation (UC) Programs*, issued August 17, 2021, [https://www.dol.gov/sites/dolgov/files/ETA/advisories/UIPL/2021/UIPL\\_23-21.pdf](https://www.dol.gov/sites/dolgov/files/ETA/advisories/UIPL/2021/UIPL_23-21.pdf);
- UIPL No. 22-21, *Grant Opportunity to Support States with Fraud Detection and Prevention, Including Identity Verification and Overpayment Recovery Activities, in All Unemployment Compensation (UC) Programs*, issued August 11, 2021, <https://www.dol.gov/agencies/eta/advisories/unemployment-insurance-program-letter-no-22-21>;
- UIPL No 22-21 Change 2, *Additional American Rescue Plan Act (ARPA) Funding and Support for States to Strengthen Unemployment Insurance (UI) Program Integrity, including Identity (ID) Verification, Fraud Prevention and Detection, and Overpayment Recovery Efforts in All Unemployment Compensation (UC) Programs and Required and Strongly Recommended Strategies, Tools, and Services for UI Fraud Risk Mitigation and Improper Payment Reduction*, issued on April 27, 2023, <https://www.dol.gov/agencies/eta/advisories/uipl-22-21-change-2>;
- UIPL No. 11-18, Change 1, *Employment and Training Administration (ETA) 9177 Report – Pre-Implementation Planning Checklist Report for State Unemployment Insurance (UI) Information Technology (IT) Modernization Projects – Additional Updates to the ETA 9177 Report and Reporting Instructions*, issued on July 16, 2020, <https://www.dol.gov/agencies/eta/advisories/unemployment-insurance-program-letter-no-11-18-change-1>;
- UIPL No 04-17, *Disclosure of Confidential Unemployment Compensation (UC) Information to the Department of Labor's Office of Inspector General (OIG)*, issued December 16, 2016, <https://www.dol.gov/agencies/eta/advisories/unemployment-insurance-program-letter-no-04-17>;
- UIPL No. 04-17, Change 1, *Requirement for States to Refer Allegations of Unemployment Compensation (UC) Fraud, Waste, Abuse, Mismanagement, or Misconduct to the Department of Labor's (Department) Office of Inspector General's*

- (DOL-OIG) and to Disclose Information Related to the Coronavirus Aid, Relief, and Economic Security (CARES) Act to DOL-OIG for Purposes of UC Fraud Investigation and Audits*, issued August 3, 2021,  
<https://www.dol.gov/agencies/eta/advisories/unemployment-insurance-program-letter-no-04-17-change-1>;
- TEN 16-21, *Announcing Grant Awards Made to States Selected to Participate in the Unemployment Insurance (UI) Information Technology (IT) Modernization Project - Claimant Experience Pilot*, issued December 2, 2021,  
<https://www.dol.gov/agencies/eta/advisories/training-and-employment-notice-no-16-21> ; and
  - TEN 14-19, *Importance of Including Labor Market Information Stakeholders in Planning and Implementation for Unemployment Insurance (UI) Information Technology Modernization Projects*, issued January 13, 2020,  
<https://www.dol.gov/agencies/eta/advisories/training-and-employment-notice-no-14-19>.

## **7. Attachments.**

- Attachment I: State UI IT Modernization Activities and Outcome Metrics
- Attachment II: Promising Practices and Sample Projects
- Attachment III: Initial Project Plan for State UI IT Modernization Efforts
- Attachment IV: Full Project Plan: Questions to Consider
- Attachment V: Instructions for Completing the SF-424 and SF-424A
- Attachment VI: General Instructions for the Completion of a Budget Information Narrative
- Attachment VII: Form ETA 9178-ARPA
- Attachment VIII: Glossary of Key Terms for IT Modernization