


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

ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 07-23

TO: STATE WORKFORCE AGENCIES

FROM: BRENT PARTON 
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 by the close of business on **July 28, 2023**.

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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.¹ 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

¹ 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 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.²

- 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.

² 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,³ 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.

³ 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,⁴ 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,

⁴ 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 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.⁵
- 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;

⁵ 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;
- 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;
- 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 9UI) 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

State UI IT Modernization Activities and Outcome Metrics

Each state may receive up to \$11.25 million to implement at least one of the UI IT Modernization activities described in the table below. Refer to Section 4.c.i of this UIPL.

Activity	Description	Examples of Desired Outcome Metrics
Cloud Migration	<p>State migration from legacy platforms, such as mainframes, to cloud-based technology that will measurably improve the flexibility and security of IT systems compared to existing metrics or conditions.</p> <p>The objective of a cloud-based migration is not only to move data securely from mainframes to a cloud-based system (<i>e.g.</i>, “lift and shift”), but to use that transformation to improve the architecture of the data so that systems are ultimately more resilient and responsive to changing needs.</p>	<p>More easily scale resources to meet changing demands and/or more quickly deploy new IT applications or enhancements such as:</p> <ol style="list-style-type: none"> 1. Reduction in hardware and infrastructure costs: States can evaluate the cost savings resulting from reduced hardware and infrastructure costs associated with the migration to cloud-based technology. <ul style="list-style-type: none"> • This can be measured by comparing the cost of maintaining legacy platforms with the cost of using cloud-based technology. 2. Improved system performance: States can measure the improvement in system performance resulting from the migration to cloud-based technology. <ul style="list-style-type: none"> • This can be evaluated through metrics such as system uptime, response time, and user satisfaction. 3. Faster deployment of new applications: States can measure the time it takes to deploy new applications, enhancements, and or more easily

Activity	Description	Examples of Desired Outcome Metrics
		<p>respond to new federal program requirements after the migration to cloud-based technology.</p> <ul style="list-style-type: none"> • This can be evaluated by comparing the time it takes to deploy applications using legacy platforms with the time it takes using cloud-based technology. <p>4. Increased system availability: States can measure the increased system availability resulting from the migration to cloud-based technology.</p> <ul style="list-style-type: none"> • This can be evaluated by comparing the downtime of legacy platforms with the downtime of cloud-based technology. <p>5. Improved scalability: States can measure the improved scalability resulting from the migration to cloud-based technology.</p> <p>This can be evaluated by comparing the ability of legacy platforms to scale resources to meet changing demands with the ability of cloud-based technology to scale resources.</p>

Activity	Description	Examples of Desired Outcome Metrics
Outcome-driven Enhancements	<p>Replace or enhance applications with new solutions that will measurably improve <u>state</u> IT system performance compared to existing metrics or conditions. Examples of applications include but are not limited to claims status portals, front end web page redesigns, dynamic fact finding, redesigned claimant initial and continued claims applications, dynamic online help tools, automated workflows, improved batch job performance and monitoring. This category can also be used to improve (<i>e.g.</i>, refactor) legacy code and or architecture that results in measurable improvements.</p>	<p><u>Greater customer self-service:</u> Self-service in the context of customer experience and the UI program refers to a customer's ability to access information and perform certain actions related to their UI claim without requiring assistance from a UI representative. This includes features such as online application filing, checking the status of a claim, requesting benefit payments, and updating personal information, among others. Self-service options can provide customers with greater convenience, control, and speed in managing their UI claims, while also reducing the workload and costs for UI agencies.</p> <ol style="list-style-type: none"> 1. Customer self-service adoption rate: Measure the number or share of claimants who use the new application to complete tasks on their own. <ul style="list-style-type: none"> • Filing claims, managing documents, or checking the status of their claim. 2. Call center volume reduction: Measure the decrease in call center volume after implementing the new application. <ul style="list-style-type: none"> • Indicates that more claimants can complete tasks on their own. 3. Staff productivity or efficiency improvement: Measure the increase in staff productivity or efficiency after rollout. <ul style="list-style-type: none"> • Time saved on manual data entry or processing.

Activity	Description	Examples of Desired Outcome Metrics
		<p>4. First-payment promptness improvement: Measure the improvement in first-payment promptness.</p> <ul style="list-style-type: none"> • Indicates that the new application has reduced the time it takes to process claims and issue payments. <p>5. User satisfaction: Conduct surveys or gather feedback from users to measure satisfaction with the new application.</p> <ul style="list-style-type: none"> • Includes ease of use, clarity of instructions, and user experience.
<p>Modular and API-driven Approaches</p>	<p>Improve the flexibility of IT systems by breaking down complex “monolithic” systems into smaller, more manageable components.</p> <ul style="list-style-type: none"> • <u>Monolithic</u> refers to a legacy software design pattern where all (or many) components are <u>tightly integrated and dependent</u> on each other making even simple IT changes costly, time-intensive, and risky. <p>Instead, a <u>modular</u> approach allows for changes to be made to a single component more easily than if those same changes were applied to the system as a whole.</p>	<p>1. Time and cost savings: Measure the time and cost savings achieved by implementing a modular approach by comparing it with the time and cost required to make similar changes using the legacy system.</p> <p>2. System uptime: Measure the system uptime and availability after implementing a modular approach to determine if the system is more reliable and stable.</p> <p>3. Maintenance time and costs: Measure the time and cost savings achieved by implementing a</p>

Activity	Description	Examples of Desired Outcome Metrics
	<p>In addition, the use of API-driven approaches can further enhance flexibility by allowing different systems to communicate and exchange data more easily.</p> <p>Overall, a modular approach provides many benefits, including easier maintenance, testing, scaling, and/or modification of the IT system, by allowing more targeted software changes and enabling modules to be replaced more easily.</p>	<p>modular approach in terms of maintenance, testing, and modification of the IT system.</p> <p>4. System performance: Measure the performance of the new modular system compared to the legacy system to determine if the system is more efficient and scalable.</p>
Automation and Efficiency	<p>Apply new technology or practices to enable responsible uses of automation and improve staff efficiency. These investments drive measurable improvements:</p> <ul style="list-style-type: none"> • Reduced costs • Improved accuracy • Improved timeliness • Freeing up staff from manual processes so they can focus on higher value tasks. <p>New Technology Examples: Robotic Process Automation (RPA), Optical Character Recognition (OCR), Natural Language Processing (NLP), Chatbots, Data Analytics tools, etc.</p> <p>New Practices Example: Lean Six Sigma is a system aimed at reducing defects in technology processes. The focus for Lean Six Sigma is data-</p>	<p>1. Reduced processing time for tasks: Measure the time it takes to complete specific tasks before and after implementing new technology or practices. This can show how much time is saved and how much more work can be accomplished.</p> <p>2. Increased accuracy: Measure the number of errors or mistakes made before and after implementing new technology or practices. This can demonstrate how much more accurate the system has become.</p> <p>3. Cost savings: Measure the cost of performing tasks before and after implementing new technology or practices. This can demonstrate how much money is saved through automation or increased efficiency.</p>

Activity	Description	Examples of Desired Outcome Metrics
	<p>driven decision making, continuous improvement, and a customer-centric approach, with technology as a core enabler of this approach.</p>	<p>4. Staff productivity: Measure the amount of work completed by staff before and after implementing new technology or practices. This can demonstrate how much more work is being accomplished and how staff can focus on higher value tasks.</p> <p>5. Improved customer experience: Measure the satisfaction of customers before and after implementing new technology or practices. This can demonstrate how much more efficient and effective the system has become in meeting the needs of its customers.</p>
<p>Agile Development Practices</p>	<p>Implement “<u>Agile Development and Deployment Practices</u>” such as DevOps and Continuous Integration/Continuous Deployment (CI/CD), to improve the flexibility and sustainability of IT systems.</p> <p><u>Agile</u> is a software development methodology that emphasizes iterative development, where value is delivered incrementally and shaped by user feedback. It includes several supporting practices, such as DevOps--which promotes effective collaboration between software developments and business stakeholders--with the goal of delivering software more quickly and reliably.</p>	<ol style="list-style-type: none"> 1. Reduced time-to-market for new features or applications. 2. Increased productivity and efficiency of development teams. 3. Reduced development and maintenance costs. 4. Improved software quality with fewer defects and faster bug fixes. 5. Higher customer satisfaction due to quicker delivery of features and responsiveness to feedback.

Activity	Description	Examples of Desired Outcome Metrics
	<p>CI/CD is a similar practice that involves automating the process of building, testing, and deploying software changes. Often, these practices are used together to increase the speed, efficiency, and quality of software development and deployment.</p> <p>These practices will drive measurable improvements, such as reducing the time it takes to develop and deploy new features, fewer defects, fewer manual tasks, and or cost savings.</p>	<p>6. Improved collaboration between development and business stakeholders, leading to better alignment of IT systems with business needs.</p> <p>To measure these outcomes, states can track metrics such as cycle time, lead time, deployment frequency, defect rate, customer feedback, team productivity, and cost savings.</p> <ul style="list-style-type: none"> • These metrics can be compared against baseline data or industry benchmarks to demonstrate the impact of implementing Agile practices.
<p>Defining and Measurably Improving the Customer Experience (CX)</p>	<p>Establish baseline metrics for the customer experience (CX) for any website or portal where customers can access information, services, or resources related to state programs and services and engage in activities that will measurably improve at least one of those metrics.</p> <p>Some suggested metrics to consider include:</p> <ul style="list-style-type: none"> • Usage metrics, including the number of visits to the portal versus the number of logins to assess usage rates and identify potential areas of friction or other trends • Completion rates, such as the % of claims completed online versus those that require in-person assistance 	<p>Data analytics, user research, and testing.</p> <p>Additional CX outcome measurements include time to file online, the percent of filers who successfully file a claim in each session and reducing drop off in the user flow. Explain how new IT system changes will measurably improve these goals.</p> <p>1. Time and accuracy of task completion: Measure the average time it takes for claimants to complete specific tasks on the portal, such as filing a new claim or submitting weekly certifications and how better experiences can improve accuracy, drive faster payments, and reduce improper payments</p> <p>2. Abandonment rate: Measure the percentage of claimants who start a task on the portal but abandon</p>

Activity	Description	Examples of Desired Outcome Metrics
	<ul style="list-style-type: none"> • User feedback collected from surveys or other forms that can be used to identify areas for improvement • Task completion rates, the % of users who successfully complete defined tasks on the portal, such as filing a claim or submitting documentation • Error rates, the frequency and type of errors encountered or made by claimants, either due to system downtime, or confusion that leads to claimants submitting incorrect or incomplete information. 	<p>it before completing it. This can indicate that the task is too complex or difficult to complete.</p> <p>3. Click-through rate: Measure the percentage of users who click on links or buttons on the portal that lead to other pages or tasks. A low click-through rate may indicate that the design or layout of the portal is confusing or difficult to navigate.</p> <p>4. Error rate: Measure the percentage of users who encounter errors while using the portal, such as system downtime or technical errors. This can indicate areas for improvement in the portal's infrastructure.</p> <p>5. User satisfaction: Conduct surveys or collect feedback from claimants about their experience using the portal. Ask about their overall satisfaction, ease of use, and any suggestions for improvement.</p>

Activity	Description	Examples of Desired Outcome Metrics
Flexible Content Changes	<p>Invest in a content management system (CMS), or similar tools and approaches, to make both public and internal-facing content changes to your system more easily</p> <p>For example, a CMS enables the creation, modification, and publication of digital content in a centralized manner and can help streamline the content creation process, improve content quality, and promote consistency across communication channels. These investments will enable plain language changes to be made more easily and or provide multilingual support to the public.</p>	<p>States can document measurable outcome examples for flexible content changes. This will verify that these changes reduce complexity for claimants, and/or reduce the potential for errors that contribute to delays and improper payments.</p> <ol style="list-style-type: none"> 1. Content creation and publishing efficiency: Measure the time it takes to create and publish new content on the portal. A successful CMS should help reduce the time required for these tasks. 2. Content quality and accuracy: Monitor user feedback and complaints to evaluate the quality and accuracy of the content. Regularly updating and improving the content should lead to fewer user complaints and increased satisfaction. 3. Usability and accessibility: Use analytics tools to monitor the portal's usage and user behavior and ensure that the CMS is helping to create a user-friendly experience. Monitor user engagement with features such as multilingual support to evaluate the success of these enhancements. 4. Consistency and compliance: Evaluate whether the CMS has helped promote consistency in the messaging and presentation of content across communication channels. Compliance with federal and state regulations regarding content should also

Activity	Description	Examples of Desired Outcome Metrics
		<p>be monitored.</p> <p>5. Cost-effectiveness: Evaluate whether the use of the CMS has led to cost savings by reducing the time and resources required for content creation and maintenance.</p> <p>6. Overall, the success of a CMS should be measured in terms of its ability to provide a streamlined, user-friendly experience that improves access to and understanding of UI programs and resources.</p>
Promoting Software Reuse	Engage in any modernization effort that results in a component, or artifacts, that can be shared with other states and achieves one or more of the following: 1) measurably improves the customer experience; 2) reduces the cost of IT systems maintenance and or change based on baseline metrics or conditions; 3) drive efficiencies that measurably reduce system issues/defect or backlogs.	<p>Include open-source software, reusable code and/or design artifacts made available in a publicly available repository such as Git-Hub, RFI/RFP templates, requirements documents, system architecture diagrams, and/or related materials that may be useful to other states.</p> <p>(Relates to any of the other areas, but with evidence of sharing related components for reuse with other states/the UI system).</p>

Activity	Description	Examples of Desired Outcome Metrics
Other Project that Supports more Modular and Evidence – Driven Approaches towards Modernization	Propose an idea that aligns with this focus and directly improves the flexibility of IT systems and/or promotes evidence-driven approaches to modernization	States are encouraged to draw from the recommended metrics included in the other eight categories to support proposals for alternative ideas.

Promising Practices and Sample Projects

The Department has identified the following promising practices for states to consider when developing their Full Project Plans.

- **Targeted and High-Value Changes:** The funds should be utilized for specific improvements that enhance the flexibility and performance of state systems in measurable ways. It is important to focus on making incremental changes rather than complete system overhauls.
- **Software Reuse and Collaboration:** States are strongly encouraged to participate in making the resulting code or artifacts from their efforts available as open source. They should also consider referencing, adapting, or reusing components developed by other states as part of this effort. This promotes software reuse and the sharing of best practices across states, aligning with the DOL's broader vision for UI IT modernization.
- **Agile and Human-Centered Approach:** States should adopt agile methodologies and prioritize a human-centered approach. This means delivering software in iterative and incremental cycles, seeking early and frequent feedback from users, and using that feedback to inform the evolution of solutions. This approach ensures that user needs are met effectively and efficiently.
- **Continual Process of Modernization:** Modernization is an ongoing process that involves changes to technology, people, and processes. States should consider how new technologies will require corresponding process changes and evaluate the need for new or different skills to fully support the modernized systems.
- **Augmenting, not Replacing, Staff with Technology:** When considering the use of technology to streamline or automate functions, states should prioritize augmenting current staff rather than replacing them. They should carefully evaluate how to implement appropriate safeguards and controls to ensure the effective, accurate, and ethical deployment of technology.

In support of these promising practices, the following table reflects projects that states might consider, in line with the nine allowable activities described in Section 4.c.i. and Attachment I to this UIPL.

Sample Project	Associated Activity
States may choose to migrate systems, or specific applications, from legacy hosting platforms to the cloud. By doing so states can realize several benefits, including reduced infrastructure costs, improved scalability, and performance, particularly during periods of high claims volume, as well as improved security, accessibility, and collaboration between agencies.	Cloud Migration
States may choose to decouple system components, like claimant portals from mainframes, so that those new components can be managed independently and are easier to maintain and change.	Modular & API-driven Approaches

Sample Project	Associated Activity
States may choose to implement application program interfaces (APIs) to enable more seamless integration and interoperability between different systems and platforms, including new components that may interface with existing vendor or vendor-provided solutions.	Modular & API-driven Approaches
States may choose to make enhancements to their claimant portals, such as making it mobile-friendly, adopting plain language, and or improving the user experience, in measurable ways. In particular, the Department strongly encourages states to make enhancements that promote claimant self-service, reduce the need for manual state intervention, and/or reduce the potential for errors and delays.	Improving the Customer Experience
States may use funds to hire staff that enable and leverage data collection and feedback from claimants to drive strategic insights and measurable improvements to the customer experience. Some examples of the types of roles states may choose to invest in include product managers, user researchers, and content designers.	Improving the Customer Experience
States may choose to update legacy code to comply with accessibility standards, such as WCAG (Web Content Accessibility Guidelines) to improve access for individuals with varying needs, such as visually-impaired individuals who require screen-readers to access the web.	Improving the Customer Experience
States may choose to adopt DevOps, a software development approach that emphasizes collaboration, communication, and automation between software and business teams, to drive faster and more frequent software releases with fewer defects. Adopting a practice like DevOps requires new skillsets and cultural shifts, but also automating processes and tools, such as automating builds, tests, and deployments, implementing continuous integration and continuous deployment (CI/CD) pipelines, and embracing infrastructure as code that allows for infrastructure to be managed and scaled programmatically.	Adopting Agile Development Practices
States may choose to invest in a content management system (CMS) that allows staff to make public-facing content changes more quickly and easily.	Flexible Content Changes
State can choose to identify and refactor (<i>e.g.</i> , improve) legacy code in ways that measurably improve the speed of processing UI claims and/or improve system performance in terms of downtime, response time, and resource utilization metrics.	Outcome-driven enhancements
States may choose to implement robust error handling mechanisms and improved data validation to measurably reduce error rates.	Outcome-driven enhancements

Initial Project Plan for State UI IT Modernization Efforts

As described in Section 4.c.iii.B. of this UIPL, states applying to receive funding for State UI IT Modernization Activities must submit an Initial Project Plan as part of their Initial Application. The Initial Project Plan focuses on information to help the Department effectively support states in further development of the Full Project Amendment, such as which categories the state is interested in pursuing, as well as information about the existing state technology system(s).

Initial Project Plan	
About the State's Existing UI IT System	
1. Is your UI IT system vendor or state owned?	<input type="checkbox"/> State
	<input type="checkbox"/> Vendor
	If vendor, please identify the vendor(s) and scope of their system: ⁶
2. Does your system operate on cloud infrastructure or on mainframes?	<input type="checkbox"/> Cloud
	<input type="checkbox"/> Mainframe
	<input type="checkbox"/> Other:
3. Do you have any current or upcoming UI IT modernization efforts planned or in process?	<input type="checkbox"/> No
	<input type="checkbox"/> Yes

⁶ For example, a state may use a vendor to support one component of their system but not another. Please specify.

	If yes, what efforts are planned/in process? What is the status?
4. In addition to ARPA Tiger Teams, ⁷ have you recently (within the last calendar year) conducted any assessments of your technology systems and received recommendations for changes?	<input type="checkbox"/> No
	<input type="checkbox"/> Yes
	If yes, what changes were recommended?
5. What, if any, other state agencies must be involved in your UI IT projects?	
6. Are you interested in sharing code and or other artifacts as open source with other states through this grant opportunity?	<input type="checkbox"/> No
	<input type="checkbox"/> Yes
7. Are you interested in referencing or reusing components that come out of this effort and are made available by other states?	<input type="checkbox"/> No
	<input type="checkbox"/> Yes
About the State's Proposed Activities under this Grant	
1. Which of the 9 allowable activities outlined in Attachment I of this UIPL are you interested in pursuing with your grant award? (You may select more than one.)	<input type="checkbox"/> Cloud migration
	<input type="checkbox"/> Outcome-driven enhancements
	<input type="checkbox"/> Modular and API-driven approaches
	<input type="checkbox"/> Automation and efficiency
	<input type="checkbox"/> Agile development practices
	<input type="checkbox"/> Defining and measurably improving the customer experience (CX)

⁷ Reference UIPL No. 02-22 and its Changes for additional details.

	<input type="checkbox"/> Flexible content changes
	<input type="checkbox"/> Promoting software reuse
	<input type="checkbox"/> Other project that supports more modular and evidence-driven approaches toward modernization.
<p>2. What specific problems or challenges in your current IT system will this award help your state address?</p> <p><i>Note:</i> These challenges should relate to the thematic focus of this grant opportunity, which is aimed at helping states improve the flexibility and performance of their IT systems through modular and evidence-driven approaches.</p>	

Attachment IV to UIPL No. 07-23

Full Project Plan: Questions to Consider

As described in Section 4.c.iii. of this UIPL, states must submit a Full Project Amendment within 90 calendar days of receiving their Notice of Award for State UI IT Modernization Efforts. Included in this amendment is a Full Project Plan.

This Attachment provides questions for states to consider as they are thinking through development of this plan. The Department will provide a template via a Change to this UIPL for states to complete when submitting their Full Project Amendment.

Statement of Purpose	<ul style="list-style-type: none">• Which of the 9 activities will you pursue with this grant award?<ul style="list-style-type: none">◦ You can select more than one activity, and that the activities you choose may be different from the items initially proposed in your Initial Application.• Please describe the problem(s) that these funds will help solve, and how addressing them will help improve the flexibility and performance of your IT system?
Goals/Key Outcomes & Measures	<ul style="list-style-type: none">• Given the problems to solve, what does success look like? Describe in terms of outcomes and supporting measures that can be objectively verified.
Project Plan	<ul style="list-style-type: none">• How will you achieve these results? What are the key activities associated with your plan?• Describe your timeline and approach. How will you sequence these activities and what are the key milestones you will use to show progress?• Who will you partner with for this project? If your state must go through procurement to identify vendors, how will that impact timelines and milestones?• How will you validate the effectiveness of these activities, including through user testing when appropriate?• What are the costs associated with this plan? How will you allocate funds from your award to support it?
Additional Support	<ul style="list-style-type: none">• Do you anticipate needing additional support from DOL to successfully execute on the goals and plans described above?• What type of help/assistance might you need?

Instructions for Completing the SF-424 and SF-424A

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 11/30/2025, Office of Management and Budget (OMB) Control No. 4040-0004 (Grants.gov).

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/SAM/>.
- Employer/Tax Identification Number (EIN/TIN): Input your correct 9-digit EIN and ensure that it is recorded within SAM.
- Unique Entity Identifier (UEI): Starting on April 4, 2022, the DUNS Number was replaced by a new, non-proprietary identifier requested in and assigned by the System for Award Management (SAM) at SAM.gov. This new identifier is being called the Unique Entity Identifier (UEI), or the Entity ID. To learn more about SAM's rollout of the UEI, please visit the U.S. General Service Administration (GSA), Unique Entity Identifier Update webpage. Before submitting, a state must also ensure its registration with SAM.gov is current. (SAM replaced the Central Contractor Registry.) States can find instructions for registering with SAM at <https://sam.gov/content/entity-registration>. An awardee 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, states must review and update the registration at least every 12 months from the date of initial registration. Failure to register with SAM and maintain an active account will result in a rejection of your submission.
- Address: Input your complete address including Zipcode+4; Example: 20110-0831. For lookup, use the link at https://tools.usps.com/go/ZipLookupAction_input.
- 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. 07-23 UI IT Modernization Grant 2023".

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 "UIPL No. 07-23, UI IT Modernization Grant 2023".
- Additionally, input: *"State acknowledges and agrees that, prior to accessing any funding under this grant award, State must submit the required amendments to the award, including all the components described as part of the Full Project Amendment and/or Participation Package and within the timeframe described in UIPL No. 07-23, cooperate in the resolution of any issues, with final approval of the modified grant provided by the Grant Officer"*.

Section # 16, Congressional Districts of

- a. Applicant: Input the Congressional District of your home office. For lookup, use link at www.house.gov with Zip code + 4.
- b. 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 Dates.

- a. Start Date: Input a valid start date for the project (earliest start date will be April 1, 2023).
- b. End Date: Input a valid end date for the project (March 31, 2028).

Section # 18, Estimated Funding (\$):

Input the applicable funding allotment as listed for your modernization activity

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 higher-level leadership authorizing the new signatory for the application submission.

Remember to have the SF-424 signed and dated by the Authorized Representative.

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 02/28/2025, OMB Control No. 4040-0006 <https://apply07.grants.gov/apply/forms/sample/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.
- If **indirect charges** are specified in Section 6, Object Class Categories, then include either:
 - (a) The approved indirect cost rate with a copy of the Negotiated Indirect Cost Rate Agreement (NICRA), a description of the base used to calculate indirect costs along with the amount of the base, and the total indirect costs requested; **OR**
 - (b) For those applicant states that meet the requirements to use the 10 percent de minimis rate as described in 2 C.F.R. 200.414(f), a description of the modified total direct cost base (*see* 2 C.F.R. 200.1 for definition) used in the calculation along with the amount of the base, and the total indirect costs requested based on the 10 percent de minimis rate.

General Instructions for the Completion of a Budget Information Narrative

The Budget Information Narrative must include the following information:

- Each line item on the SF-424A must be explained, and the cost provided for each. Each line item on the SF-424A pertains to projected costs at the recipient level, except for the Contractual line item. Contractual should include costs at the project operator level.
 - The total for each line item on the Budget Information Narrative must match the total for each line item on the SF-424A.
 - If a grant modification requests to realign the budget, the narrative must address the reason for the change in each affected line item.
1. **Personnel** – List all staff positions by title. State the annual salary of each person, the percentage of each person’s time devoted to the project, the amount of each person’s salary funded by the grant, and the total personnel cost for the period of performance.
 2. **Fringe Benefits** – Provide the overall fringe benefit percentage which reflects the recipient’s organizational fringe, and list the components included, such as health insurance, FICA, retirement, etc. Provide the fringe benefit calculation for each staff position listed under the Personnel line item.
 3. **Travel** – Specify the type and purpose of the travel, the number of travelers, approximate mileage, per diem rates, estimated number of trips, and other associated travel costs.
 4. **Equipment** – Identify each item of equipment to be purchased. Equipment has an estimated acquisition cost per unit of \$5,000 or more, and a useful life of one year or more. List the quantity and unit cost per item. Items with a unit cost of less than \$5,000 are classified as supplies.
 5. **Supplies** – Supplies include all tangible personal property other than “equipment.” Identify supply categories (*e.g.*, office supplies, cell phones, personal tools for disaster clean-up, etc.). List the cost associated with each category.
 6. **Contractual** –
 - Identify each project operator and the funding allocation made to the organization.
 - Provide total projected costs (NOT for each project operator but as a lump sum) for each of the following categories: Administrative Costs, Career Services, Supportive Services, Training (itemize work-based training and classroom training), and Other Costs (itemized).
 7. **Construction** – Construction costs are not allowed, and this line must be left as zero. Minor alterations to adjust an existing space for grant activities (such as a classroom alteration) may be allowable. DOL does not consider this as construction, and the costs must be shown on other appropriate lines such as Contractual.
 8. **Other** – List each item in sufficient detail for DOL to determine whether the costs are reasonable or allowable. Costs included under Other should not fit into any other line-item category.

Indirect Charges – If charging indirect costs to the grant, this line item must be populated. Include the current approved Negotiated Indirect Cost Rate Agreement, signed by the Federal cognizant agency, as an attachment

Form ETA 9178-ARPA

U.S. Department of Labor (DOL)
 Employment and Training Administration
 Form ETA 9178-ARPA

OMB No. N/A^[1]
 Expiration Date: N/A

**Quarterly Narrative Progress Report
 American Rescue Plan Act (ARPA) Grants**

General Information					
State Name:		Grant Number:		Report Quarter Ending:	Date of Submission:
Project Name:			UIPL Number:		
Project Contact Information					
Name:				Agency:	
Title				Address:	
Phone:		Ext :		City:	
E-Mail:				State:	
				Zip Code:	

Project Report**A. Summary of Project**

Please limit your response to 1000 characters or less.

States must use this section to provide a detailed executive summary of the project/activity/solution (project). Each funded project will have its own separate quarterly progress report (ETA 9178-ARPA) through the quarter the project ends. States must use this section to provide a short summary of the project's purpose. This summary should only change during the life of the grant if the state has received an approved modification. Modifications only apply to grants that require a full application.

B. Timeline for Grant Activities and Milestones or Deliverables

Please limit your response to 1000 characters or less.

States must use this section to provide the timelines for and the progress achieved in completing grant activities, key milestones, and deliverables for this quarter. A timeline must still be developed for all project activities. The timeline must provide a project flow that includes start and end dates, a schedule of activities, and projected outcomes. In order to reap the most benefit from the timeline, the timeline must be updated each quarter noting the actual date of completion as each activity is accomplished. Items to incorporate in the timeline include project goals, milestones, special events, important deadlines, and deliverables.

C. Project Implementation and Funding Status

Please limit your response to 1000 characters or less.

States must use this section to provide a description of the implementation of key activities and/or project status for the current quarter. Place an 'X' in one of the four checkboxes provided below to provide an assessment of implementation progress. The assessment must be supported by the status narrative noting if the project is on schedule, behind schedule, ahead of schedule, or complete this quarter. Once the project is marked as complete this quarter, the state is no longer required to submit an ETA 9178-ARPA report for the project.

In addition, please provide the funding status for this project for the end of the quarter, including the total project funding, total obligated, funding balance, and time remaining to expend funds/expenditure target.

State Self-Assessment:	On Schedule	Behind Schedule	Ahead of Schedule	Complete this Quarter
Total Project Funding	Total Obligated	Funding Balance	Expenditure Target	

D. Project Challenges, Risk Mitigation Efforts/Modification Requests, and Technical Assistance Needs

Please limit your response to 1500 characters or less.

States must use this section to summarize any significant challenges to project implementation encountered during the quarter and describe any risk mitigation efforts or actions taken to address the identified challenges. In addition, a status update must be provided on the resolution of challenges identified in previous quarters. This section should also include any questions you have for DOL and note any identified needs for technical assistance from DOL or others. The narrative must also indicate whether the grantee is requesting a modification to any project strategies and how the modification request changes the original project proposal. If a modification has been requested, the narrative must also indicate the status of the modification request. Modifications only apply to grants that require a full application. If states have nothing to report, that should be specified.

E. Best Practices, Promising New Strategies and Success Stories

Please limit your response to 1000 characters or less.

States must use this section to describe promising approaches, innovative processes, or grant success stories. States must also describe any lessons learned and how those lessons learned will be implemented. Throughout the implementation of the project, states may discover new strategies that emerge as a result of data-driven continuous improvement. As progress is made with a new and promising strategy, or as data is gathered to support it, states must document the progress and data each quarter. If states have nothing to report, that must be specified.

F. Additional Outcome Information

Please limit your response to 1000 characters or less.

This section requires states to report grant-specific outcomes not captured in other sections of the quarterly narrative progress report, including, but not limited to, outcomes measuring equitable service delivery, outcomes measuring fraud detection and prevention, outcomes measuring backlog reduction, and specific outcomes included in the grant application.

Certification	
Name of Grantee Certifying Official:	
Phone:	
E-Mail Address:	

Instructions to Complete ETA 9178-ARPA**Project Contact Information:**

This section is to provide the contact information (*i.e.*, Name, Title, Address, etc.) for the state official who is responsible for the day-to-day operation and implementation of the project. This may be a different person than the certifying official.

Certification:

Name of Grantee Certifying Official - Use this section to provide the name of the state official who is certifying submission of the report to the U.S. Department of Labor (Department).

Phone - Provide the area code and telephone number ((###) ###-####) of the authorized state official.

E-Mail Address - Provide the email address of the authorized state official.

General Instructions

States receiving ARPA Grant Funds are required to submit quarterly progress reports to the Department's Employment and Training Administration (ETA) in order to comply with the reporting and record keeping requirements of these funds. Each state recipient of funds must submit a narrative Quarterly Progress Report (QPR) containing updates on the progress and implementation of the project(s) undertaken as a result of the funding.

Report Form and Instructions

The QPR provides narrative updates on the implementation of project(s) undertaken as a result of the funding and the status of each project per quarter.

Due Dates

All quarterly reports are due to ETA no later than 45 days after the end of each reporting quarter. The table below shows the expected due dates for each reporting quarter.

Reporting Quarters	Due Dates
October 1 st – December 31 st	February 14 th
January 1 st – March 31 st	May 15 th
April 1 st – June 30 th	August 14 th
July 1 st – September 30 th	November 14 th

If a due date falls on a Saturday, Sunday, or holiday, the report is due the previous business day.

Submission Procedures

Information contained in the quarterly report (ETA 9178-ARPA) must be submitted by email directly to the ETA Regional office. An ETA Federal Project Officer will review and accept the report within 30 days of receipt.

Office of Management and Budget (OMB) Approval. Section 2116(a) of the CARES Act, 5 U.S.C. 9032(a), states that “Chapter 35 of Title 44, United States Code, (commonly referred to as the ‘Paperwork Reduction Act of 1995’) shall not apply to the provisions of, and the amendments made by, this subtitle.” As the OMB approval process is waived for these reporting instructions, these instructions should be considered final.

[1] Refer to section 2116(a) of P.L. 116-136, the Coronavirus Aid, Relief, and Economic Security Act, March 27, 2020

Glossary of Key Terms for IT Modernization

<p>Note: This is not an exhaustive list; if you have questions about any of the terms used in this UIPL please reach out to your ETA Regional Office.</p>	
Agile	An approach to software development that emphasizes collaboration, flexibility, and the ability to adapt to change and develop software incrementally, usually known as sprints.
Application Programming Interfaces (APIs)	Functionality that enables different software applications (or modules) to talk to each other and exchange data.
Cloud Technology	A way of hosting and accessing an application over the internet, rather than on local computers or servers, like mainframes.
Content Management System (CMS)	Software that allows users to create, manage, and publish digital content, such as web pages, without needing to know how to code or program.
Continuous Integration & Continuous Deployment (CI/CD)	A set of practices that automate the testing, building, and deployment of software to make it easier and faster to release updates.
Cost of Change	The time, effort, and resources required to make changes to a system, including procurement, development, testing, and deployment.
Customer Experience (CX)	The overall, end to end experience a customer has when interacting with a product, service, or organization.
DevOps	A set of agile practices that combine software development and IT operations to improve the speed and reliability of software delivery.
Incremental	A process of making changes to a system gradually, one step at a time, rather than all at once.
Legacy Technology / Systems	Older technology or systems that are no longer widely used or supported but may still be in use by some organizations.

Modernization	A continual process of addressing unmet needs through technology and process improvements
Modular	An approach that involves breaking down a system into smaller, independent parts, which can be developed and tested separately. This makes it easier to make changes and updates without affecting the whole system.
Monolith	A large, complex system, where all parts are tightly connected and changing one part can have unintended consequences for the rest of the system.
Open-Source Software	Software that is developed and distributed by a community of developers and made available to use, modify, and distribute.
User-centered	A design approach that focuses on the needs and preferences of users, with the goal of creating products and services that are easy to use and provide a good user experience.