

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION Unemployment Insurance
	CORRESPONDENCE SYMBOL OUI/DPM
	DATE May 24, 2023

ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 23-21, Change 5

TO: STATE WORKFORCE AGENCIES

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

SUBJECT: Additional Grant Opportunities for Promoting Equitable Access to Unemployment Compensation (UC) Programs

1. **Purpose.** To temporarily re-open the application period for states, which did not submit prior applications, to apply for UI equity grants described in UIPL No. 23-21 for activities eliminating administrative barriers to benefit application, reducing state workload backlogs, improving the timeliness of unemployment compensation (UC) payments to eligible individuals, and ensuring equity in fraud prevention, detection, and recovery activities. This UIPL also announces the opportunity for all states to receive amounts in addition to their original allocation described in Attachment I to UIPL No. 23-21.

2. **Action Requested.** The U.S. Department of Labor’s (Department) Employment and Training Administration (ETA) requests that State Workforce Agency (SWA) Administrators provide information contained in this UIPL to appropriate staff and take the necessary steps described below.
 - States that previously did not apply for grants under UIPL No. 23-21 must submit their Initial Application by **July 24, 2023** (see Section 4.b. of this UIPL).
 - States with existing awards or pending applications seeking to request an additional allotment must submit their Grant Application by **July 24, 2023** (see Section 4.c. of this UIPL).
 - States that have submitted an application prior to publication of this UIPL and whose funds have not yet been awarded must resolve any outstanding items on their Grant Application Package by **July 24, 2023** or ETA will consider their application non-responsive and will reject the application (see Section 4.d. of this UIPL).

3. **Summary and Background.**
 - a. Summary – In support of the goal to promote equitable access to the Unemployment Insurance (UI) program under Section 9032 of the American Rescue Plan Act (ARPA), the Department issued UIPL No. 23-21 announcing a grant opportunity for states. With publication of this UIPL, states that did not submit an application for

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UIPL No. 23-21 have an additional opportunity to apply for the funds allotted in Attachment I of UIPL No. 23-21. Refer to Section 4.a. of this UIPL for further detail.

This UIPL also provides for an additional allotment of up to \$1 million for a limited number of states. ETA will award funds to complete and responsive applications on a **first come, first served basis** while funding remains available. ETA may stop accepting applications for the additional allotment at an earlier date if all available funds are awarded before the official closing date. Refer to Section 4.b. of this UIPL for additional detail.

As of May 19, 2023, the Department awarded more than \$206 million to 42 states in accordance with UIPL No. 23-21 and its changes. The Department is currently providing feedback and technical assistance to the remaining state applicants that have submitted an application to help them meet the requirements for approval described in the funding opportunity announcement under UIPL No. 23-21, and to help ensure their proposed projects and activities have the best possible outcomes.

- b. Background – On March 11, 2021, the President signed the American Rescue Plan Act of 2021 (ARPA) 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 provides a \$2,000,000,000 appropriation to the Secretary of Labor to detect and prevent fraud, to promote equitable access, and to ensure timely payment of benefits to eligible workers with respect to UC programs.

On January 20, 2021, the President issued Executive Order (EO) 13985 concerning advancing racial equity and support for underserved communities. This EO articulates the importance of advancing equity for all, including people of color and others who have been historically underserved, marginalized, and adversely affected by persistent poverty and inequality. This includes addressing disparities in accessing government programs facing individuals and communities including, but not limited to, low-wage workers, Black and Hispanic/Latinx workers, individuals with disabilities, individuals with limited English proficiency, women, and individuals living in rural areas. Advancing equity requires a systematic approach to embedding fairness in decision making processes and eliminating barriers to access. Public programs must be designed to serve all individuals. For this reason, the Federal Government should, consistent with applicable law, allocate resources to address the historic failure to invest equitably in underserved communities along with the individuals from those communities. Ensuring access to UC is a longstanding priority of the Department. On October 1, 2015, UIPL No. 02-16 was issued, which articulates the applicable requirements under federal law and provides states guidance to assist with their compliance with these requirements. Change 1 to UIPL No. 02-16, which was issued on May 11, 2020, highlights additional state responsibilities regarding access to UC.

Given the fundamental importance of equity to the Department’s mission, the Department is prioritizing equity in its Strategic Planning and goal setting. On August 17, 2021, the Department issued UIPL No. 23-21 advising states of the availability of funding for

activities that promote equitable access to UC programs. The Department issued Changes 1 and 2 to this UIPL to extend the period of time to apply for an equity grant. In Change 3, the Department determined that states may need additional time to perform their projects and activities and, therefore, announced an extension of the period of performance for awards from September 30, 2023 to March 31, 2024. On December 21, 2022, the Department issued UIPL No. 23-21, Change 4. In that UIPL, the Department determined that as a result of the time this process requires as well as the competing priorities state workforce agencies are facing, for grant awards made after issuance (December 21, 2022), the period of performance would be 27 months from the date of any new grant award.

The UC program is a vital safety net for unemployed workers. At the most fundamental level, equity within the UC program means the provision of UC payments to eligible workers, regardless of one's background, in a timely and fair manner, with an application process that is readily accessible to all workers. Specifically, equity within the UC program includes a wide variety of factors such as eliminating administrative barriers to benefit receipt for eligible individuals, reducing workload backlogs, improving the timeliness and accuracy of UC payments, and ensuring equity in fraud prevention, detection, and recovery activities. This grant opportunity provides states with dedicated funding to support efforts to provide meaningful and equitable access to the UC application process and, when eligible, receipt of UC payments for all unemployed workers.

4. **Guidance.** This UIPL provides additional funding for states to further promote equitable access in the UI program, as described in Section 4.a. Additionally, the application window is being reopened for states that did not previously apply under UIPL No. 23-21.

The grant application and award process will be completed in two stages: an Initial Application/Grant Application to request additional funds, followed by a Full Project Amendment.

- a. **Additional Grant Funds to Further Support the Promotion of Equitable Access in the UI Program.** ETA is making additional funding available for states using the unawarded amounts from the original \$260 million allocation under UIPL No. 23-21. Each state that has been awarded a UI equity grant under UIPL No. 23-21, has a pending application as described in Section 4.d. of this UIPL, or is applying for a grant as described in Section 4.b. of this UIPL has the opportunity to request up to \$1 million in addition to the allotment provided in Attachment I to UIPL No. 23-21.

States may apply to receive a portion of these funds to expand a previously approved project (*e.g.*, translate claimant portal into an additional language) or if they have identified a new need that can address an equity issue in the state (*e.g.*, hire or extend staffing plan with additional Spanish-speaking call center/adjudication staff), in line with any of the examples reflected in UIPL No. 23-21.

These funds will be awarded to complete and responsive applications on a **first come, first served basis** based on the order received. ETA may stop accepting applications earlier than this date if available funds are exhausted before the official closing date. Final award amounts will be determined subject to the availability of funds. All states will have the opportunity to apply for additional funding up to \$1 million, regardless of their current application status. This additional funding does not affect the availability of funds for states that did not previously apply for a UI Equity Grant award or for states with a currently pending application.

States that have received a UI Equity Grant under UIPL No. 23-21 that amounts to less than their original allocation, as described in Attachment I to UIPL No. 23-21, are only eligible to apply for up to an additional \$1 million (i.e., states may not apply for the difference between their original allocation and funds received as part of the UI Equity Grant if that difference is more than \$1 million).

As described in UIPL No. 03-23, the Department is making available to states operational and technical resources and services, at no cost to the state, to further support execution of their ARPA-related grant projects, including future ARPA-formula funded projects. These resources and services are available to states that have been, or will be, awarded grants in one of the ARPA-formula funded grant programs, including equity grants as described in UIPL No. 03-23.

- b. **States that did not previously apply for a UI Equity Grant under UIPL No. 23-21.** States that did not apply for a UI equity grant may now apply for their state allocation described in Attachment I to UIPL No. 23-21, as well as the additional funding described in Section 4.a. of this UIPL. Additional funds will be awarded to complete and responsive applications on a first come, first served basis based on the order received. Therefore, a state that did not previously apply but is now applying for their state allocation as well as up to \$1 million in additional funds may be awarded only their state allocation, depending upon availability of the additional grant funds.

- i. ***Condition of Receiving the UI Equity Grant.*** By submitting an Initial Application as described in Section 4.b.ii. of this UIPL, the state agrees to submit a Full Project Amendment, as described in Section 4.b.ii of this UIPL, within 60 calendar days of receiving the Notice of Award (NOA).

States who anticipate significant challenges with meeting the timeframe for submitting a Full Project Amendment may request an extension. States who anticipate significant challenges with meeting the timeframe for submitting a Full Project Amendment may request an extension. ETA expects that requests for an extension will be rare and approvals must be provided by the Grant Officer.

- ii. ***Initial Application.*** The Initial Application must be submitted via www.grants.gov, with an electronic copy to the appropriate ETA Regional

Office, as soon as possible and no later than the close of business on July 24, 2023. The Initial Application package consists of a completed SF-424 (as described in Attachment I of UIPL No. 23-21, Change 4) to reflect up to the full amount of the state's allocation (*see* Attachment I to UIPL No. 23-21) plus any of the additional amount described in Section 4.a. of this UIPL.

To demonstrate that the state agrees to comply with the condition described in Section 4.b.i. of this UIPL, when completing the SF-424, the state must check the "I AGREE" box under Item 21 and include the appropriate language in Item 15. States should maintain any supporting documentation that serves as evidence for meeting the required condition.

Upon receipt and processing of the SF-424, the state will receive a NOA. [These grants are subject to the requirements of 2 CFR Parts 200 and 2900, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.](#)

- iii. **Full Project Amendment.** As noted in Section 4.b.i. of this UIPL, the Full Project Amendment must be submitted to the appropriate ETA Regional Office, as soon as possible and no later than, within 60 calendar days of receiving the NOA. The Full Project Amendment package must include:
 - A. A copy of the completed SF-424 from the Initial Application;
 - B. A completed SF-424A;
 - C. If indirect cost is indicated on the SF-424A, then a Negotiated Indirect Cost Rate Agreement (NICRA); and
 - D. A completed "UI Equity Grant Application" (as described in Section 6.a.i. and Attachment II to UIPL No. 23-21).

ETA encourages states to work closely with their ETA Regional Office to develop the project narrative as described in UIPL No. 23-21, especially the outcome metrics section. States should also ensure that all project costs are consistent across all application documents.

The submission of the required documents does not constitute approval by the Department. Upon receipt of the Full Project Amendment, the Department will review and work with the state to approve the proposal. Once approved by the Grant Officer, the Full Project Amendment will be an official amendment to the initial NOA, and the condition of the award that previously restricted access to the funds will be resolved.

- c. **States that have received an UI Equity Grant under UIPL No. 23-21.** States that have already received an UI Equity Grant under UIPL No. 23-21 and wish to request an additional amount as described in Section 4.a. of this UIPL must take the following actions.

- i. **Condition of Receiving the Additional Amount.** By submitting a Grant Application to request additional funds as described in Section 4.c.ii. of this UIPL, the state agrees to submit a Full Project Amendment, as described in Section 4.c.iii. of this UIPL, within 60 calendar days of receiving the Notice of Award (NOA) modifying the original grant.

States who anticipate significant challenges with meeting the timeframe for submitting a Full Project Amendment may request an extension. ETA expects that requests for an extension will be rare and approvals must be provided by the Grant Officer.

- ii. **Grant Application.** The Grant Application to request additional funds must be submitted via www.grants.gov, with an electronic copy to the appropriate ETA Regional Office, as soon as possible and no later than the close of business on July 24, 2023. The Grant Application package consists of a completed SF-424 (as described in Attachment I of UIPL No. 23-21, Change 4) to reflect the additional amount requested (as described in Section 4.a. of this UIPL).

To demonstrate that the state agrees to comply with the condition described in Section 4.c.i. of this UIPL, when completing the SF-424, the state must check the “I AGREE” box under Item 21 and include the appropriate language in Item 15. States should maintain any supporting documentation that serves as evidence for meeting the required condition.

Upon receipt and processing of the SF-424, the state will receive a NOA modifying the original grant.

- iii. **Full Project Amendment.** As noted in Section 4.c.i. of this UIPL, the Full Project Amendment must be submitted to the appropriate ETA Regional Office, as soon as possible and no later than, within 60 calendar days of receiving the NOA. The Full Project Amendment package must include:
 - A. A copy of the completed SF-424 from the Initial Application;
 - B. A completed SF-424A;
 - C. If indirect cost is indicated on the SF-424A, then a Negotiated Indirect Cost Rate Agreement (NICRA); and
 - D. A completed “UI Equity Grant Application” (as described in Section 6.a.i. and Attachment II to UIPL No. 23-21).

ETA encourages states to work closely with their ETA Regional Office to develop the project narrative as described in UIPL No. 23-21, especially the outcome metrics section. States should also ensure that all project costs are consistent across all application documents.

The submission of the required documents does not constitute approval by the Department. Upon receipt of the Full Project Amendment, the Department will review and work with the state to approve the proposal. Once approved by the Grant Officer, the Full Project Amendment will be an official amendment to the initial NOA, and the condition of the award that previously restricted access to the additional funds will be resolved.

- d. **States that submitted an application for a UI Equity Grant prior to publication of this UIPL and whose funds have not yet been awarded.** States with pending UI equity grant applications under UIPL No. 23-21 have 60 calendar days from the publication of this guidance to resolve any outstanding items in their Grant Application Package (as described in Section 6.a.i. and Attachment II to UIPL No. 23-21). If states wish to withdraw their grant application, states must notify their ETA Regional Office by email. Note that the 60 calendar day deadline is not inclusive of any processing time needed by ETA to disburse funds. States that submitted an application for a UI Equity Grant prior to publication of this UIPL, and whose funds have not yet been awarded, may also request additional funds on a first come, first served basis under Section 4.a. of this guidance. Note that states which are unable to successfully resolve outstanding items in their initial equity application package to complete their grant award will be removed from consideration for additional equity funding under Section 4.a.
- e. **Timeframe for Obligation and Liquidation of Funds under this UIPL.** The period of performance for new grant awards made on or after the date of this UIPL will be the end of the 27-month-period that begins on the date of the award, as described in Section 4 of UIPL No. 23-21, Change 4, except for additional funds awarded, which will have the same period of performance which applies to their original equity grant. This approach is being used to ensure that states receive the same length of the period of performance for their UI equity grant activities regardless of when or whether the state has already received an equity grant award.
- States with existing equity grants that may not be able to complete all grant activities within the current approved period of performance should notify the assigned federal project officer in their Regional Office to discuss no-cost grant extensions.
- f. **All other terms and conditions remain in place.** Except as explicitly noted in this UIPL, all other guidance from UIPL No. 23-21 and Changes 1-4, remain the same.

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

6. **References.**

- American Rescue Plan Act, Pub L. 117-2, enacted March 11, 2021;
- Coronavirus Aid, Relief, and Economic Security (CARES) Act, Pub. L. 116-136, enacted March 23, 2020;

- UIPL No. 23-21, *Grant Opportunity for Promoting Equitable Access to Unemployment Compensation (UC) Programs*, issued August 17, 2021, <https://www.dol.gov/agencies/eta/advisories/unemployment-insurance-program-letter-no-23-21>;
- UIPL No. 23-21, Change 1, *Extension of Time to Submit Request for Funding under Grant Opportunity Announced in Unemployment Insurance Program Letter (UIPL) No. 23-21*, issued November 1, 2021, <https://www.dol.gov/agencies/eta/advisories/unemployment-insurance-program-letter-no-23-21-change-1>;
- UIPL No. 23-21, Change 2, *Further Extension of Time to Submit Request for Funding under Grant Opportunity Announced in Unemployment Insurance Program Letter (UIPL) No. 23-21*, issued December 20, 2021, <https://www.dol.gov/agencies/eta/advisories/unemployment-insurance-program-letter-no-23-21-change-2>;
- UIPL No. 23-21, Change 3, *Extension of Period of Performance for Awards related to Grant Opportunity Announced in Unemployment Insurance Program Letter (UIPL) No. 23-21*, issued April 4, 2022, <https://www.dol.gov/agencies/eta/advisories/unemployment-insurance-program-letter-no-23-21-change-3>;
- UIPL No. 23-21, Change 4, *Updated Guidance for Awards related to Grant Opportunity Announced in Unemployment Insurance Program Letter (UIPL) No. 23-21*, issued December 21, 2022; <https://www.dol.gov/agencies/eta/advisories/uipl-23-21-change-4>; and
- 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>.

7. **Attachment(s)**. N/A