

<b>EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210</b>	<b>CLASSIFICATION</b> Unemployment Insurance
	<b>CORRESPONDENCE SYMBOL</b> OUI/DPM
	<b>DATE</b> July 24, 2025

**ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 14-25**

**TO:** STATE WORKFORCE AGENCIES

**FROM:** LORI FRAZIER BEARDEN /s/  
Acting Assistant Secretary

**SUBJECT:** Additional Planning Guidance for the Fiscal Year (FY) 2026 Unemployment Insurance (UI) State Quality Service Plan (SQSP)

1. **Purpose.** To initiate the FY 2026 SQSP process and define additional requirements relevant to the FY.
2. **Action Requested.** The Employment and Training Administration (ETA) requests State Administrators to:
  - Make this information available to appropriate staff;
  - Prepare their state's SQSP in accordance with planning and reporting instructions contained in [Employment and Training \(ET\) Handbook No. 336, 18<sup>th</sup> Edition, Change 4](#) (SQSP Handbook) and additional instructions in this Unemployment Insurance Program Letter (UIPL);
  - Coordinate specifics, as appropriate, with the ETA Regional Office (RO) for electronic submission of the SQSP; and
  - Submit the FY 2026 SQSP to the appropriate RO by the deadline set by the RO.
3. **Summary and Background.**
  - a. Summary – The SQSP Handbook provides planning and reporting instructions for the SQSP process. This UIPL provides additional guidance relevant to the SQSP process for FY 2026, designates dates applicable to the FY, outlines national priorities and Federal program emphasis, and identifies special planning requirements for the FY.
  - b. Background – The SQSP is the state's UI performance management and service plan. It represents an approach to the UI performance management and planning process that allows for an exchange of information between Federal and state partners to enhance the UI program's ability to reflect their joint commitment to performance excellence and customer-centered services. As part of UI Performs, the comprehensive performance management system for the UI program, the SQSP is the principal vehicle that state UI programs use to plan, record, and manage improvement efforts as they strive for

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excellence in service. Title III of the Social Security Act (SSA) authorizes the Secretary of Labor (Secretary) to provide funds to states to administer the UI program and governs the expenditure of those funds. The SQSP is a part of the process by which states receive Federal UI administrative grants.

The SQSP Handbook contains general instructions for the SQSP. It is designed as a permanent guide for the planning and budget process and provides states with planning guidelines and instructions for reporting UI financial and staff year information. The SQSP Handbook notes that ETA will issue a SQSP UIPL each year with additional planning guidance that supplements the SQSP Handbook and provides direction and instructions specific to the upcoming FY. The SQSP Handbook is approved under the Office of Management and Budget (OMB) No. 1205-0132. The current approval expires on June 30, 2027.

Though this UIPL providing additional planning guidance is similar to the guidance issued in previous years, there are changes relevant to the FY 2026 SQSP; therefore, please review this guidance carefully.

\*\*\*Note: Due to the sensitivity of information about integrity controls and certain other UI operational matters, states should not make their SQSP publicly available.

4. For FY 2026, ETA will continue to strive to make the SQSP process a meaningful management tool and a strategic road map to improve program administration, strengthen program integrity, and ensure quality service delivery. The SQSP process focuses on promoting state performance and integrity by aligning state UI administration and operations with national priorities, paying benefits accurately and timely, and connecting unemployment compensation (UC) claimants with needed reemployment services. This section highlights the major areas that states are to use in developing their FY 2026 SQSPs.

- a. **FY 2026 National Priorities and Federal Program Emphasis**

***National Priorities***

The Department of Labor's (Department) Employment and Training Administration (ETA) urges each state to focus its SQSP narrative on building a strategic plan and vision for UI operational excellence in the state. Each year, ETA establishes national priorities for the UI program. The following national priorities are provided for FY 2026 to assist states in their development of the SQSP. States should also establish additional state-level priorities for their UI program.

The Department suggests a state plan focusing on strategies to:

- 1) Improve Program Performance and Operate the UI Program Effectively (see **Attachment I**);
- 2) Proactively Identify and Prevent Improper Payments and Fraud (see **Attachment II**);
- 3) Strengthening Reemployment Services (see **Attachment III**); and

4) Ensure Accurate and Complete Submission of ETA UI Required Reports (see **Attachment IV**).

ETA also recommends that states identify the potential barriers and threats to success in their strategic plans as well as technical assistance needs.

***Federal Program Emphasis***

In FY 2026, ETA will continue to work with states to rebuild performance with particular attention on the goals specified in the Government Performance and Results Act of 1993 (GPRA)<sup>1</sup> – targets that the UI system, as a whole, is expected to meet. Individual states should continue to strive to meet and exceed these GPRA goals and targets. States are to describe in the SQSP Narrative the steps they will take to achieve these goals and targets.

Goal	Target
<i>Percent of Intrastate Payments Made Timely (Make Timely Benefit Payments)</i>	<b>87 percent</b> of intrastate first payments for full weeks of UC will be made within 14/21 days from the week ending date of the first compensable week.
<i>Detection of Recoverable Overpayments (Detect Benefit Overpayments)</i>	Overpayments established at a rate that is at least <b>57.5 percent</b> of the estimated detectable, recoverable overpayments.
<i>Percent of Employer Tax Liability Determinations Made Timely (Establish Tax Accounts Promptly)</i>	<b>90 percent</b> of status determinations for new employers will be made within 90 days of the end of the first quarter in which liability occurred.

b. **Program Performance**

The Department’s strategic approach to UI Performs is to focus efforts on improving performance and promoting overall excellence. States are expected to address performance that does not meet established performance levels for the SQSP measurement period.

Corrective Action Plans (CAPs) are expected whenever a state’s performance is below established performance levels for the SQSP measurement period. The measurement period for the FY 2026 SQSP is April 1, 2024 – March 31, 2025, unless otherwise indicated (see Attachment V).

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<sup>1</sup> GPRA was designed to improve program management throughout the Federal government. Under this Act, federal agencies are required to develop a strategic plan outlining its mission, long-term goals for the agency's major functions, performance measures, and reporting results.

c. **UI Performance Criteria**

Attachment V lists the Core Measures, Secretary's Standards, and UI Programs and the established performance levels where CAPs and/or Narratives may be expected if annual performance is below these established performance levels for the measurement period.

- i. **Core Measures** are critical indicators of the overall performance of the UI program. Performance below the accepted level of performance (ALP) for Core Measures is expected to be addressed in a CAP unless otherwise indicated.

Additional instructions for Core Measures are as follows:

- ***The Detection of Overpayments Measure.*** This measure is the percentage of detectable/recoverable overpayments estimated by the Benefit Accuracy Measurement (BAM) survey that was established for recovery through regular UI Benefit Payment Control (BPC) program operations. For this Program Integrity Measure, the acceptable level of performance is a range of >50% and ≤95%. Any state reporting an overpayment detection rate below 50 percent is expected to address the deficiency in a CAP. In addition, because it is challenging for most states to cost-effectively detect and establish more than 90 percent of estimated overpayments, the upper limit of 95 percent was established. If an overpayment detection rate is above 95 percent and is found to be the result of improper administration of BAM or BPC activities or misreporting of data on the ETA 227 (Overpayment Detection and Recovery Activities) report, the state is expected to submit a CAP (for BAM/Overpayment Detection or BPC/Overpayment Detection or address reporting 227 issues) to address the deficiency. (See [UIPL No. 14-05, Change 1](#), Section 5.c.) The performance period for the BPC component is the three-year period ending March 31, 2025. The performance period for the BAM component is the three-year period ending September 30, 2024.
- ***Effective Audit Measure.*** The Effective Audit Measure, as noted in [UIPL No. 03-11](#), is a blended measure of the following four factors: 1) *Percentage of Contributory Employers Audited Annually*; 2) *Percentage of Total Wages Changed as a Result of Audit*; 3) *Percentage of Total Wages Audited*; and 4) *Average Number of Misclassifications Detected Per Audit*. Each of the four factors has a minimum standard score that states are expected to meet to pass the Effective Audit Measure as well as an overall combined score that is expected to be achieved. The measure also instructs each state to direct additional emphasis to the factor(s) that state personnel deem important. An additional two points must be earned among any of the four factors to attain the overall passing score of at least 7.0. A CAP is expected for states that do not meet the measure based on calendar year 2024 data.
- ***Improper Payments Measure.*** The Improper Payments Measure is defined as UC overpaid plus UC underpaid divided by the total amount of UC paid. It is based on estimates from the results of the BAM survey of paid UC claims in the State UI, Unemployment Compensation for Federal Employees, and Unemployment

Compensation for Ex-Servicemembers programs. The [Payment Integrity Information Act \(PIIA\) of 2019](#), codified in 31 U.S.C. 3351 *et seq.*, requires agencies to examine the risk of erroneous payments in all programs and activities they administer. PIIA also requires Federal programs to report an annual improper payment rate and include all identified improper payments in the reported estimate, regardless of whether the improper payment in question has been or is being recovered (*see* [UIPL No. 09-13](#) for ETA's approved improper payment rate computation methodology). Corrective actions and Integrity Action Plan (IAP) root causes for FY 2026 are based on ETA's approved computation methodology. PIIA, in 31 U.S.C. 3351(4), defines the term "improper payment" as:

- (A) ...any payment that should not have been made or that was made in an incorrect amount, including an overpayment or underpayment, under a statutory, contractual, administrative, or other legally applicable requirement; and
- (B) includes—(i) any payment to an ineligible recipient; (ii) any payment for an ineligible good or service; (iii) any duplicate payment; (iv) any payment for a good or service not received, except for those payments where authorized by law; and (v) any payment that does not account for credit for applicable discounts.

In accordance with the PIIA, under the compliance requirements in 31 U.S.C. 3351(2), an ALP of less than 10 percent has been established for the Improper Payments Measure. States are expected to maintain an improper payment rate of less than 10 percent for covered UI programs. This ALP is applicable to the 2024 PIIA performance period (July 1, 2023, to June 30, 2024). A state failing to meet the ALP for the 2024 PIIA performance period will be expected to develop a CAP as part of the FY 2026 SQSP.

- ***UI Overpayment Recovery Measure.*** As explained in [UIPL No. 09-13](#), the recovery rate is "the amount of improper overpayments recovered divided by the amount of improper overpayments identified." The ALP for the recovery rate measure is 68 percent for the 2024 PIIA performance period. The Department will compute future recovery targets based on the most recent recovery and other performance data available.

The performance period will be based on data from the ETA 227 report, Overpayment Detection and Recovery Activity (Regular), and ETA 227 report, Overpayment Detection and Recovery Activity (Emergency Unemployment Compensation) (EUC), for the PIIA 2024 performance period (July 1, 2023, to June 30, 2024). Pursuant to the UI Reports Handbook ([ET Handbook No. 401, 5th edition](#)), the June quarter ETA 227 reports are due August 1 each year. A state failing to meet the ALP for the 2024 PIIA performance period will be expected to develop a CAP as part of the FY 2026 SQSP.

- ii. **Secretary's Standards** are established in regulations at 20 CFR Parts 640 and 650. Like Core Measures, Secretary's Standards are indicators of state performance of significant UI activities and procedures. A state experiencing performance below the criteria for the Secretary's Standards is required to address the performance issues in a CAP.

- iii. **UI Programs**

States must address the following UI Programs as described below:

- ***State Directory of New Hires (SDNH)/National Directory of New Hires (NDNH)***

State BAM operations that, based on the BAM Administrative Determination, are not compliant with the NDNH matching requirements in [ET Handbook No. 395, 5th Edition](#), Chapter VI, [UIPL No. 03-07](#), and [UIPL No. 03-07, Change 1](#), must address the deficiency in a CAP for FY 2026.

- ***Benefit Accuracy Measurement (BAM)***

State BAM operations or operational components that are not compliant with investigative and/or methods and procedures requirements established in [ET Handbook No. 395, 5th Edition](#), and through findings established through [ET Handbook No. 396, 4th Edition](#) monitoring reviews (based on the annual determination letter issued on or before May 1, 2025), must address this non-compliance in a CAP. This includes paid and denied claim population variances outside established control limits.

- ***Tax Performance System (TPS)***

To ensure that UI tax operations are in compliance with Federal reporting and oversight requirements, a state's failure to conduct one or more TPS sample reviews will be subject to a CAP. Additionally, a tax function that is not sampled will be included in the number of total failing functions as measured by Tax Quality Part A (no more than three tax functions may fail TPS review) and Part B (a tax function cannot fail for three consecutive years). Exceptions include universes that are too small to support a sample ("S"), an Experience Rate sample that was not scheduled for review during the performance year ("E"), or the granting of a temporary waiver ("W") by the Regional Office (RO). States should note exceptions, if any, on their Program Review Findings screens in the Unemployment Insurance Reporting System, accordingly.

- ***Data Validation (DV)***

The deadline for submitting DV results for Validation Year (VY) 2025 was June 10, 2025. The VY coincides with the SQSP performance year. It covers data of any reporting period during the twelve months, beginning April 1st and ending

the following March 31st. DV items that fail to pass validation, or were due but not submitted, are expected to be addressed in the state's FY 2026 SQSP. Non-submitted items also include failure to certify that the state specific instructions in the Module 3 for Benefits and Tax are current and accurate during the April 1 – June 10, 2025, certification window.

Any DV items due for Validation Year 2025 that did not pass or were not submitted by the deadline (June 10, 2025) are expected to be addressed in a CAP for FY 2026.

ROs will monitor states every three years on cycles coinciding with the Data Validation Years. ROs will assess the accuracy of the states' DV results considered passing at the time of the monitoring review to verify that the states are properly implementing the DV program according to the program handbooks. DV items submitted as passing, but which a monitoring review determined to have failed are also expected to be addressed in the SQSP. All subsequent SQSP cycles will address items changed from pass to fail in the previous year's monitoring review.

iv. **Other UI Performance**

States are expected to address the following performance deficiencies in the SQSP State Plan Narrative, unless otherwise indicated.

- Failure to meet reporting requirements for federally required reports.
- Invalid recording of the Issue Detection Date (IDD) and Determination Date (DD). The validity of the UI Performs nonmonetary determination timeliness measure depends on the accuracy of the state's IDD and DD data. IDD and DD data are considered accurate if dates were correct in at least 95 percent of the nonmonetary determinations evaluated in the quarterly quality samples (obtained from the ETA 9056 report for the measurement period (see Attachment I)). Since the accuracy of IDD and DD data is based on sample results, sampling variation will be taken into account in setting the percentage below which a state's data will be considered inaccurate. States with invalid IDD or DD data are expected to address the steps they will take to record the IDD and DD correctly in the SQSP Narrative.

v. **Future Performance Requirements**

[UIPL No. 07-21](#), published in FY 2021, announced, for states with Reemployment Services and Eligibility Assessment (RESEA) programs, a new reemployment core measure: Reemployment Rate in the 2<sup>nd</sup> Quarter after Program Exit for RESEA Participants. This core measure is designed to focus on RESEA program performance, given that the RESEA program is now permanently authorized within the context of the broader workforce development system. This measure aligns with the Working for a Stronger America Act's primary indicators of performance and will

utilize data that states already report for Employment Service programs. This will enable ETA to assess state performance related to the employment outcomes of RESEA participants.

Performance data will be used to review performance trends and to establish baseline state RESEA performance. States that do not meet performance criteria for both of these periods will be expected to submit CAPs for the FY 2026 SQSPs.

[UIPL No. 07-21](#) also announced two new program performance measures that are meant to assist states in managing reemployment performance, but these measures are not core measures and do not have associated ALPs.

**d. UI Program Integrity and the Integrity Action Plan (IAP)**

The purpose of the IAP is for the state to provide a comprehensive and detailed plan outlining the agency's UI integrity and anti-fraud strategies. States will use the IAP template (Word document) to develop their FY 2026 IAPs. The template provides states with a format that is conducive for developing a comprehensive, detailed, and actionable IAP, and offers flexibility to clearly articulate state integrity plans and anti-fraud strategies. States are expected to report their planned actions and activities to prevent, detect, reduce, and recover fraudulent and other UI improper payments in their IAPs, which are submitted each year as part of the annual SQSP submission.

A critical part of fraud risk management includes evaluating outcomes using a risk-based approach and adapting activities to improve fraud risk management strategies. To effectively manage fraud risks, each state should develop and document an anti-fraud strategy that describes the state's approach for addressing fraud risks.

For FY 2026, ETA is highlighting the following specific topics that states must incorporate into the SQSP IAPs as part of the FY 2026 SQSP submission. States should use the IAP template as a guide to develop their IAPs and ensure all key IAP topics (outlined below) are addressed.

- (Topic #1:) – Ensuring UI program integrity by assessing and evaluating fraud risks, and implementing and maintaining an array of sufficient controls to effectively mitigate the likelihood and impact of fraud, and reducing improper payments:
  - State actions to evaluate UI fraud risks and implement and maintain sufficient controls to effectively prevent fraud and reduce improper payments, including state progress in developing the state's own state-specific anti-fraud strategy.
  - State use of tools, services, strategies, process improvements, and/or procedural changes adopted by the state to combat fraud, verify identities, and enhance recovery efforts. States must identify which tools, solutions, and service provider(s) are used in the state's fraud management operations including, but not limited to, the following areas: data analysis, risk-based identity (ID) verification, fraud prevention and detection, and cybersecurity.



- State use of UI Integrity Center resources, with a particular focus on state connection to the Integrity Data Hub (IDH) and use of its datasets to cross-match UC claims and aid in the prevention and detection of fraud and improper payments (see [Training and Employment Notice \(TEN\) No. 24-21](#)).
- State use of required and recommended integrity controls and overpayment recovery activities as outlined in sections 4.b.ii and 4.b.iii. of [UIPL No. 11-23](#), including any additional effective cross-matching and overpayment recovery activities and identified best practices.
- State use and employer participation in the State Information Data Exchange System (SIDES) (see Section 5 of [TEN No. 12-16](#)).
- (Topic #2) – State plans and actions to address the state's top three improper payment root causes in the PIIA 2024 performance period.
- (Topic #3) – State coordination and collaboration with Department's Office of Inspector General (DOL-OIG) and other state and Federal law enforcement agencies to investigate and prosecute UI fraud and recover overpayments. The response should also include information on the state's plans to continue providing all confidential UC information to DOL-OIG for purposes of both investigating fraud and performing audits.
- (Topic #4) – State plans to strengthen program integrity in UI tax operations, including current activities and plans to identify and prevent worker misclassification, State Unemployment Tax Act (SUTA) Dumping, fictitious employer schemes, and development/use of effective employer audit strategies (i.e., use of remote audits).
- (Topic #5) – State plans and actions to strengthen internal security and ensure that all appropriate internal controls and processes are in place and are adequate to assess internal risks and threats, ensure program integrity, and minimize program vulnerabilities (see [UIPL No. 14-17](#)).
- (Topic #6) – State plans and actions to evaluate the effectiveness of fraud prevention and detection, ID verification, and improper payment reduction activities. The state should include strategies to ensure that processes used to detect and prevent fraud are effective, and do not limit the ability for a legitimate claimant to apply for and, if eligible, receive UC. States implementing or using facial recognition technology in their ID proofing processes must also report findings from bias testing and provide updates on efforts to mitigate biases or barriers in this section of the IAP.
- (Topic #7) – State plans and actions to mitigate negative consequences for victims of UI ID fraud, including ensuring simplified processes to remove the victim's liability for overpayments resulting from ID fraud.

- (Topic #8) – If the state has not provided complete and accurate overpayment reporting on the ETA 227 series of reports (Overpayment Detection and Recovery Activities), and the ETA 902P report (Pandemic Unemployment Assistance Activities), the state must provide information on plans for improvement, including timeframes and milestones, for addressing the issue and ensuring complete, accurate, and timely reporting in FY 2026.

States are required to provide a six-month update to the IAP, covering the first two quarters of the FY (October – March) when submitting the SQSP quarterly update for the quarter ending March 31. The purpose of the six-month update is for a state to provide a progress report on the integrity and anti-fraud strategies outlined in the IAP. The update must include details on any new strategies, solutions, and/or activities; changes to existing strategies; planning or strategy delays and/or challenges in implementing the IAP; positive outcomes (*e.g.*, progress toward the achievement of objectives); and identified successes.

ETA will continue to provide technical assistance to states to support their integrity activities through guidance, webinars, individual state technical assistance, and in partnership with the many available resources to support states with strengthening UI program integrity (*see* Section 4.H. of this UIPL for UI Technical Assistance Resources).

**e. Planning Requirements for FY 2026**

i. SQSP Submittal Cycle

The SQSP process provides a 24-month window for states to adequately plan and implement performance improvement efforts. The process provides for two types of submittals: a Formal two-year (Biennial) plan, and an Alternate Year plan. Descriptions of the Biennial and Alternate Year SQSP submittals, significant activities, and dates relating to the submittal and approval of the SQSP are outlined in the SQSP Handbook and this UIPL. For FY 2026, all states will submit an Alternate year SQSP.

ii. SQSP Preparation

States must use the Excel CAP Workbook to develop their CAPs for the SQSP submissions. States must also use the Excel CAP Workbook for reporting updates to specific CAP milestones and CAP performance each quarter. States must also use the IAP template to develop the IAP and provide IAP updates. The ROs will provide states with the Excel Workbook and IAP template with specific instructions relevant to this Alternate year SQSP submittal.

iii. SQSP Assurances and Approval

By signing the SQSP Signature Page, a state certifies that it will comply with the assurances listed in [ET Handbook No. 336, 18th Edition, Change 4](#), and will institute plans or measures to comply with the requirements for each of the assurances. States

must also comply with the Assurance of Disaster Unemployment Assistance as described below:

*Assurance of Disaster Unemployment Assistance (DUA)*

Each state must ensure that it will conduct annual training for DUA staff and develop and maintain a Standard Operating Procedures manual for DUA. States are encouraged to use the DUA training modules available on the National Association of State Workforce Agencies (NASWA) learning platform at <https://www.naswa.org/learning>.

Each state must:

- Indicate that it has conducted training and provide the date(s) of the training; and
- Indicate that it has developed and/or maintained DUA Standard Operating Procedures for use during a major disaster declaration.

States may contact the RO for a copy of a DUA Standard Operating Procedure Template. ROs will also obtain an initial copy from each state for the Department's record. See [TEN No. 13-21](#) for additional information.

- f. **Coordination with DOL-OIG.** States are reminded of their obligation to report alleged or suspected UI fraud to the DOL-OIG as outlined in [UIPL No. 04-17, Change 1](#). States must refer allegations that they reasonably believe constitute UC fraud, waste, abuse, mismanagement, or misconduct to the DOL-OIG. States are also required to disclose confidential UC information related to the CARES Act, as amended, to the DOL-OIG for the purpose of UC fraud investigations and audits for the entire pandemic relief period (see [UIPL No. 04-17, Change 1](#)). Additionally, [TEN No. 05-22](#) reminded states of the DOL-OIG's authority under the Inspector General Act and strongly encouraged states to comply with data requests made by DOL-OIG. States are also strongly encouraged to report suspected UI fraud to the IDH by creating fraud alerts and submitting all suspicious claims data for cross-matching. Providing suspicious claims data to the IDH gives each state the ability to analyze state claims data against known suspicious activity in other states, which offers a mechanism to quickly identify potential fraud across the UI system. States needing assistance with the IDH, or to learn more about how the IDH can help states' fraud prevention and detection efforts, can reach out to the IDH Team at [IDHTeam@naswa.org](mailto:IDHTeam@naswa.org) for more information.
- g. **WIOA Combined State Plans.** WIOA provides the option for states to submit a Combined State Plan that includes program plans for mandatory one-stop partners and other programs. Given that the UI program is a mandatory one-stop partner under WIOA, states have the option of including the UI program as part of the Combined State Plan. However, each state must participate in the UI Performs SQSP process whether or not the state decides to include the UI program as part of its Combined State Plan.

If a state chooses to submit a WIOA Combined State Plan with UI as a required partner, the state must incorporate SQSP into the Combined State Plan via the WIOA State Plan Portal at <https://wioaplans.ed.gov/>. Those states must incorporate *only* the allowable documents for FY 2026 into the Combined State Plan upon ETA's approval of the SQSP, but no later than October 31, 2025.

Because of the sensitive nature of some SQSP documents, only the following SQSP documents are allowed to be included in the WIOA Combined State Plan:

- Transmittal Letter
- A list of CAPs (*the Alternate year SQSP Overview Page from the SQSP CAPs and Quarterly Reporting Workbook*)
- Budget Worksheets/Forms
- Organization Chart
- SQSP Signature Page

h. **UI Technical Assistance Resources.** The following resources provide states with information and support for UI program activities.

- **ETA's Regional Offices.** ETA's ROs are available to provide states with ongoing technical assistance regarding UI program administration and operations, integrity strategies, and to connect states with resources supported and funded by the Department. States are encouraged to work closely with ROs in developing the SQSP and IAP, and any needed CAPS.
- **Office of Unemployment Insurance website.** <https://www.dol.gov/agencies/eta/ui-modernization>.
- **UI Integrity Center.** In FY 2012, ETA created the UI Integrity Center of Excellence (UI Integrity Center) to support the needs of the 53 SWAs in implementing strategies to ensure program integrity by preventing, detecting, and recovering improper payments, and reducing fraud in the UI programs. The NASWA Center for Employment Security Education and Research, Inc. (CESER) operates the UI Integrity Center through a cooperative agreement with ETA.
- **DOL-OIG.** ETA recommends states build a strong partnership with DOL-OIG. States are encouraged to collaborate with their respective ROs and DOL-OIG to share fraud trends and analysis, discuss recommendations and effective strategies for responding to emerging fraud schemes, receive updates on prosecution efforts, and facilitate sharing of UI fraud and integrity-related challenges and best practices among states.
- **UI Information Technology Support Center (UI ITSC).** ETA created UI ITSC in 1994 through a cooperative agreement with the State of Maryland to develop products and services and to support state UI agencies in the use of IT for efficient administration of the UI program. Since 2009, NASWA CESER has operated the UI

ITSC. The UI ITSC's activities involve providing information, technical assistance, products, and services to states in support of the modernization of IT systems used to administer the UI program. For more information on UI ITSC visit <http://www.itsc.org>.

- **Online Training Resources.** ETA has a cooperative agreement with the State of Utah to invest in the development of online training modules for state UI staff. These resources are located at <https://www.naswa.org/learning>.
- i. **Funding Period.** The Department's proposed FY 2026 appropriation language for State UI and Employment Service Operations allows for obligation of UI allocations by states through December 31, 2026, with 90 additional days to liquidate the obligations and complete the expenditure of funds. In addition, this proposed language (which mirrors the language of recent-year appropriation acts) allows states to obligate FY 2026 UI funds through September 30, 2028, if such obligations are for automation, competitive grants awarded to states for improved operations, or for conducting in-person reemployment and eligibility assessments and improper payment reviews, and providing reemployment services and referrals to training, as appropriate. The grant management resources and information, including grant terms and conditions, are available at <https://www.dol.gov/agencies/eta/grants/resources>. Please note that FY 2026 grant terms and conditions are not available at this time. This information will be provided through ROs at a later date and also posted at the webpage indicated above.
- j. **Data Availability.** ROs will provide states with data showing their performance measured against the Core Measures, Secretary's Standards, and other information relevant to the SQSP (e.g., reporting deficiencies).
- k. **SQSP Submittal Deadlines.** Each RO will set a date and inform states of the deadline to submit their SQSPs for FY 2026.
- l. **Electronic Submission of the SQSP.** States must submit the SQSPs electronically and should contact their respective RO SQSP Coordinators before submittal to coordinate specific details. Standard forms required as part of the budget reporting process (Chapter II of [ET Handbook No. 336, 18th Edition, Change 4](#)) are available in PDF and may be downloaded from the OMB website at: [grants.gov/forms/forms-repository/sf-424-family](https://grants.gov/forms/forms-repository/sf-424-family).

States may submit the SQSP Signature Page electronically if the state law permits. States that do not submit the signature page electronically (which includes by fax or scan) must submit the signature page by mail by the deadline set by the RO.

5. **Inquiries.** Please direct inquiries to the appropriate ETA RO.

6. **References.**

- Social Security Act (SSA), sections 303(a)(1) and 306 (42 U.S.C. 503(a)(1) and 506);
- Government Performance and Results Act (GPRA) of 1993, Pub. L. 103-62, as amended by GPRA Modernization Act of 2010, Pub. L. 111-352;

- Payment Integrity Information Act of 2019 (PIIA), Pub. L. 116-117 <https://www.congress.gov/116/plaws/publ117/PLAW-116publ117.pdf>;
- Workforce Innovation and Opportunity Act (WIOA), Pub. L. 113-128, 29 USC 3101 note and Title I;
- Wagner-Peyser Act, 29 U.S.C. Sec. 49 *et seq.*, as amended by Title III of WIOA;
- Trade Act of 1974, Pub. L. 93-618, as amended;
- Bipartisan Budget Act of 2013, Pub. L. 113-67;
- Bipartisan Budget Act of 2018, Pub. L. 115-123;
- 20 CFR Parts 601, 640, 650, 652, and 660;
- 2 CFR Part 200, Subpart F, The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR Parts 200 and 2900;
- Appendix C to Office of Management and Budget (OMB) Circular A123, Requirements for Payment Integrity Improvement;
- UIPL No. 12-25, *Fiscal Year (FY) 2025 Funding Allotments and Operating Guidance for Unemployment Insurance (UI) Reemployment Services and Eligibility Assessments (RESEA) Grants*, issued June 10, 2025, [UNEMPLOYMENT INSURANCE PROGRAM LETTER No. 12-25 | U.S. Department of Labor](#);
- UIPL No. 01-22, *Announcing the Availability of an Incarceration Data Exchange and Instructions to Access the Data Exchange between the Unemployment Insurance (UI) Interstate Connection Network (ICON) and the Social Security Administration (SSA) Prisoner Update Processing System (PUPS)*, issued October 29, 2021, [UNEMPLOYMENT INSURANCE PROGRAM LETTER No. 01-22 | U.S. Department of Labor](#);
- UIPL No. 07-21, *Performance Measures for Reemployment Services and Eligibility Assessments (RESEA) and Unemployment Insurance (UI) participants*, issued December 17, 2020, [UNEMPLOYMENT INSURANCE PROGRAM LETTER No. 07-21 | U.S. Department of Labor](#);
- UIPL No. 13-19, *National Directory of New Hires (NDNH) and State Directory of New Hires (SDNH) Guidance and Best Practices*, issued June 7, 2019, [UNEMPLOYMENT INSURANCE PROGRAM LETTER No. 13-19 | U.S. Department of Labor](#);
- UIPL No. 14-17, *States' Responsibilities for Internal Security in the Unemployment Insurance Program*, issued March 23, 2017, [UNEMPLOYMENT INSURANCE PROGRAM LETTER No. 14-17 | U.S. Department of Labor](#);
- 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, [UNEMPLOYMENT INSURANCE PROGRAM LETTER No. 04-17, Change 1 | U.S. Department of Labor](#);
- UIPL No. 17-16, *Reengineering Unemployment Insurance (UI) Benefits Program Accountability Process: High Priority Designation of States with Sustained Poor Performance*, issued July 13, 2016, [UNEMPLOYMENT INSURANCE PROGRAM LETTER No. 17-16 | U.S. Department of Labor](#);



- UIPL No. 02-16, Change 1, *State Responsibilities for Ensuring Access to Unemployment Insurance Benefits, Services, and Information*, issued May 11, 2020, [UNEMPLOYMENT INSURANCE PROGRAM LETTER No. 02-16, Change 1 | U.S. Department of Labor](#);
- UIPL No. 02-16, *State Responsibilities for Ensuring Access to Unemployment Insurance Benefits*, issued October 1, 2015, [UNEMPLOYMENT INSURANCE PROGRAM LETTER No. 02-16 | U.S. Department of Labor](#);
- UIPL No. 01-16, Change 1, *Federal Requirements to Protect Claimant Rights in State Unemployment Compensation Overpayment Prevention and Recovery Procedures – Questions and Answers*, issued January 13, 2017, [UNEMPLOYMENT INSURANCE PROGRAM LETTER No. 01-16, Change 1 | U.S. Department of Labor](#);
- UIPL No. 01-16, *Federal Requirements to Protect Individual Rights in State Unemployment Compensation Overpayment Prevention and Recovery Procedures*, issued October 1, 2015, [UNEMPLOYMENT INSURANCE PROGRAM LETTER No. 01-16 | U.S. Department of Labor](#);
- UIPL No. 17-14, *Revised Employment and Training (ET) Handbook No. 336, 18<sup>th</sup> Edition: “Unemployment Insurance (UI) State Quality Service Plan (SQSP) Planning and Reporting Guidelines”*, issued July 7, 2014, [UNEMPLOYMENT INSURANCE PROGRAM LETTER No. 17-14 | U.S. Department of Labor](#);
- UIPL No. 09-13, Change 1, *Integrity Performance Measure for Unemployment Insurance*, issued January 27, 2015, [UNEMPLOYMENT INSURANCE PROGRAM LETTER No. 09-13, Change 1 | U.S. Department of Labor](#);
- UIPL No. 09-13, *Integrity Performance Measures for Unemployment Insurance (UI)*, issued January 29, 2013, [UNEMPLOYMENT INSURANCE PROGRAM LETTER No. 09-13 | U.S. Department of Labor](#);
- UIPL No. 05-13, *Work Search and Overpayment Offset Provisions Added to Permanent Federal Unemployment Compensation Law by Title II, Subtitle A of the Middle Class Tax Relief and Job Creation Act of 2012*, issued January 10, 2013, [UNEMPLOYMENT INSURANCE PROGRAM LETTER No. 05-13 | U.S. Department of Labor](#);
- UIPL No. 03-11, *Implementation of the Effective Audit Measure*, issued December 30, 2010, [UNEMPLOYMENT INSURANCE PROGRAM LETTER No. 03-11 | U.S. Department of Labor](#);
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- UIPL No. 14-05, Change 3, *Acceptable Levels of Performance (ALP) Criteria for Appeals Case Aging Measures and Nonmonetary Determination Quality Review*, issued April 16, 2008, [UNEMPLOYMENT INSURANCE PROGRAM LETTER No. 14-05, Change 3 | U.S. Department of Labor](#);

- UIPL No. 14-05, Change 2, *Performance Criteria for Appeals Case Aging Measures and the Starting Date for Measuring Nonmonetary Determinations Time Lapse*, issued December 13, 2006, [UNEMPLOYMENT INSURANCE PROGRAM LETTER No. 14-05, Change 2 | U.S. Department of Labor](#);
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- UIPL No. 14-05, *Changes to UI Performs*, issued February 18, 2005, [UNEMPLOYMENT INSURANCE PROGRAM LETTER No. 14-05 | U.S. Department of Labor](#);
- Training and Employment Guidance Letter (TEGL) No. 14-24, *Fiscal Year (FY) 2025 Fiscal Year (FY) 2025 Funding Allotments and Operating Guidance for Unemployment Insurance (UI) Reemployment Services and Eligibility Assessments (RESEA) Grants*, issued June 10, 2025, [TRAINING AND EMPLOYMENT GUIDANCE LETTER No. 14-24 | U.S. Department of Labor](#);
- TEN No. 28-23, *Announcement of a New Data Sharing Partnership Between the U.S. Department of Treasury's (Treasury) Bureau of the Fiscal Service (Fiscal Service) and the National Association of State Workforce Agencies' (NASWA) Unemployment Insurance (UI) Integrity Center to provide State UI Agencies Access to Do Not Pay Working System (DNP) Data Sources and Services through the UI Integrity Data Hub (IDH)*, issued May 2, 2024, [TRAINING AND EMPLOYMENT NOTICE No. 28-23 | U.S. Department of Labor](#);
- TEN No. 05-22, *Authority of the U.S. Department of Labor's (Department) Office of Inspector General (DOL-OIG) to Receive Confidential Unemployment Compensation (UC) Data*, issued September 15, 2022, [TRAINING AND EMPLOYMENT NOTICE No. 05-22 | U.S. Department of Labor](#);
- TEN No. 24-21, *Encouragement for States to Use the Integrity Data Hub (IDH) available through the Unemployment Insurance (UI) Integrity Center*, issued May 5, 2022, [TRAINING AND EMPLOYMENT NOTICE No. 24-21 | U.S. Department of Labor](#);
- TEN No. 15-21, *Announcing the National Association of State Workforce Agencies (NASWA) Unemployment Insurance (UI) Integrity Center's Behavioral Insights Toolkit*, issued November 17, 2021, [TRAINING AND EMPLOYMENT NOTICE No. 15-21 | U.S. Department of Labor](#);
- TEN No. 13-21, *State Quality Service Plan Assurances Required for Disaster Unemployment Assistance*, issued October 19, 2021, [TRAINING AND EMPLOYMENT NOTICE No. 13-21 | U.S. Department of Labor](#);
- TEN No. 17-19, *Model Unemployment Insurance State Work Search Legislation*, issued February 10, 2020, [TRAINING AND EMPLOYMENT NOTICE No. 17-19 | U.S. Department of Labor](#);
- TEN No. 12-16, *Unemployment Insurance (UI) State Information Data Exchange System (SIDES)*, issued September 27, 2016, [TRAINING AND EMPLOYMENT NOTICE No. 12-16 | U.S. Department of Labor](#);



- TEN No. 03-15, *Reengineering Unemployment Insurance (UI) Benefits Program Accountability Processes: Update on Implementation Progress and State Impacts*, issued July 27, 2015, [TRAINING AND EMPLOYMENT NOTICE No. 03-15 | U.S. Department of Labor](#)
- TEN No. 08-14, *Reengineering Unemployment Insurance (UI) Benefits Program Accountability Processes*, issued September 2, 2014, [TRAINING AND EMPLOYMENT NOTICE No. 08-14 | U.S. Department of Labor](#);
- ET Handbook No. 336, *Unemployment Insurance (UI) State Quality Service Plan (SQSP) Planning and Reporting Guidelines*, 18<sup>th</sup> Edition, Change 4 (March 2019), [Employment and Training \(ET\) Handbook No. 336, 18<sup>th</sup> Edition, Change 4](#);
- ET Handbook No. 361, *Unemployment Insurance Data Validation Handbook, Tax* (October 2022), [ET Handbook No. 361, Unemployment Insurance Data Validation Handbook, Tax](#).
- ET Handbook No. 395, *Benefit Accuracy Measurement State Operations Handbook*, 5<sup>th</sup> Edition (November 2009), [Employment and Training \(ET\) Handbook No. 395, 5<sup>th</sup> Edition](#);
- ET Handbook No. 396, *Unemployment Insurance Benefit Accuracy Measurement Monitoring Handbook*, 4<sup>th</sup> Edition (November 2009), [Employment and Training \(ET\) Handbook No. 396, 4<sup>th</sup> Edition](#); and
- ET Handbook No. 401, 5<sup>th</sup> Edition, *UI Report Handbook No. 401* (July 2017), [Employment and Training \(ET\) Handbook No. 401, 5<sup>th</sup> Edition](#).

## 7. **Attachments.**

- Attachment I: Improve Program Performance and Operate the UI Program Effectively
- Attachment II: Proactively Identify and Prevent Improper Payments and Fraud
- Attachment III: Strengthening Reemployment Services
- Attachment IV: Ensure Accurate and Complete Submission of ETA UI Required Reports
- Attachment V: Measures/Programs to be Addressed in the Fiscal Year (FY) 2026 State Quality Service Plan (SQSP)