

**ET HANDBOOK NO. 336**

**17<sup>th</sup> Edition**

**UNEMPLOYMENT INSURANCE**

**STATE QUALITY SERVICE PLAN (SQSP)**

**PLANNING AND REPORTING GUIDELINES**

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CHAPTER I - PLANNING

## INTRODUCTION

The SQSP Handbook provides guidelines for the completion and submittal of the State Quality Service Plan (SQSP) for the Unemployment Insurance (UI) program and the reports and data elements to be used for financial reporting of State UI program activities.

**A. Background.** UI PERFORMS, the performance management system for the UI Program, was officially announced in August 1995. Unemployment Insurance Program Letter (UIPL) No. 41-95, dated August 24, 1995, outlined a construct for a comprehensive performance management system based on the following:

- C a significantly improved data collection infrastructure that provides more management information more frequently;
- C performance measures that include national core criterioned measures (Tier I) and a menu of non-criterioned measures (Tier II) for States to utilize in measuring and improving their program performance;
- C a dynamic planning process that is State focused; and
- C a goal of continuous improvement with shared responsibility by both State and Federal partners.

The focus of this Handbook is to provide specific guidance regarding the State Quality Service Plan (referred to as the State Plan or the SQSP) which is the manifestation of the performance management system described above. The State Plan is an integral part of the entire performance management system that makes up UI PERFORMS. It is, therefore, critical to understand the broader context in which the State Plan is developed.

**1. The Continuous Improvement Cycle.** UI PERFORMS embraces the continuous improvement cycle advocated by quality practitioners which is commonly known as the **Plan-Do-Check-Act** cycle. It also is referred to as a **closed loop** continuous improvement cycle. It incorporates a strategic planning process of identifying priorities; ongoing collection and monitoring of valid data to measure performance; identification of areas of potential improvement; and development of specific action steps to improve performance, followed by use of available data to determine whether the action steps are successful. The cycle continues indefinitely with the opportunity at any point to reassess priorities, performance, and action that can improve performance.

**2. The Performance Measurement System.** The system includes Benefits Timeliness and Quality (BTQ) measures, the Tax Performance System (TPS), Cash Management measures, the Benefit Accuracy Measurement (BAM), and Benefit Payment Control (BPC) measures.

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**3. The Planning Process.** UI PERFORMS emphasizes joint responsibility between States and the Employment and Training Administration (ETA) for setting priorities and responding to performance information both annually and on an ongoing basis. The relationship between the States and ETA will include the following shared responsibilities:

- C continued tracking and analysis of performance data;
- C identification of Federal and State priorities;
- C development of planning directions;
- C negotiation to determine improvement levels;
- C development and implementation of strategies for continuous improvement.

To accomplish these ongoing responsibilities will require an enhanced interaction and consultation process between States and ETA. States are also encouraged to include other stakeholders in the ongoing planning process.

**4. The State Quality Service Plan.** The heart of the UI PERFORMS continuous improvement cycle is a restructured plan of service. The State Plan is intended to be a dynamic document States can utilize as a management tool - much like a business plan - not only to ensure strong program performance, but also to guide key management decisions, such as where to focus resources. It should focus the State's efforts to ensure well-balanced performance across the range of UI activities. The State Plan also is designed to be flexible so as to accommodate, among other things, multi-year planning and significant changes in circumstances during the planning cycle. Although it will be developed in cooperation with the Federal partner, the State Plan is State focused. The Federal role in the process is designed to be constructive and supportive.

Operationally, the State Plan also will serve as the grant document through which States receive Federal UI Administrative Funding, similar to its predecessor, the Program Budget Plan (PBP). To serve this purpose, the State will be required to submit Budget worksheets and the various assurances required in a Federal Grant Document. It is important, however, to emphasize that the State Plan is designed to be very different from the PBP, both in the process for development and the actual content.

The annual State Plan is designed to provide the structure for recording the following kinds of information:

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- C the current environment within the State impacting UI performance (economic factors, legislative emphasis, etc.);
- C State priorities;
- C responses to Federally identified priorities;
- C performance assessment information;
- C continuous improvement targets for both Tier I and negotiated Tier II measures;
- C short and long term strategies for achieving performance targets;
- C required corrective action plans for failure to meet Tier I performance criteria;
- C status of critical program components such as Trust Fund integrity; and
- C State strategies for evaluating customer satisfaction and gaining customer input to promote continuous improvement.

Electronic transmittal of the SQSP to the Regional Offices is allowed.

**B. Relationship/Coordination with Other Plans.** The UI program does not stand alone. It is the income replacement component of an overarching effort to return a worker to suitable employment. As such, the SQSP should be developed in concert with other plans which also address the same customer (such as the Wagner-Peyser and Workforce Investment Act plans) to insure a coordinated effort and minimal obstacles for the client in moving from program to program.

This coordination will most likely be apparent in the State State Plan Narrative portion of the SQSP. Mandatory corrective action plans will relate specifically to unacceptable performance for nationally criterioned measures of UI program performance.

**C. Partnership Principles.** The three following principles form the basis for carrying out Federal and State responsibilities under UI PERFORMS and the SQSP planning process:

- \$ **Basing the Federal-State relationship on mutual trust and respect will improve the UI system and its service to the American public.**
- \$ **Working as equal partners with complementary roles will improve the UI system's quality of service and its integrity.**

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- \$ By setting high standards and goals and working together as a team, the system will be strengthened and the entire nation will benefit.**

The following are examples of the actions and attitudes which are consistent with these principles:

- \$** Fostering open, personal communication;
- \$** Fostering a win-win relationship; advocating for and supporting one another;
- \$** Being willing to acknowledge the existence of problems, and focus on fixing them instead of placing blame;
- \$** Mutually accepting responsibility for resolving problems and overcoming deficiencies;
- \$** Engaging in joint planning and influencing one another's priorities;
- \$** Sharing information and resources;
- \$** Promoting innovation and creativity;
- \$** Jointly seeking input from customers;
- \$** Recognizing the role and importance of other players at the State and National levels;
- \$** Where there are differences between partners—
  - Trying to resolve disputes equitably and fairly, being willing to compromise to achieve consensus;
  - Seeking early, informal resolution;
  - Asserting positive and friendly influence on partners to improve performance; and
  - Sharing credit, celebrating successes.

**D. Planning Considerations.** This section provides information for States to use in developing their SQSPs.

### **1. State Agency Resource Planning Targets for UI.**

**a. Financial Guidelines.** States will prepare UI SQSPs according to financial guidelines transmitted with target funding levels provided by the Regional Offices.

**b. Changes and Revisions to Targets.** Regional Offices may negotiate necessary changes and revisions to target funding levels with State agencies.

**c. Final Allocations.** Final allocations may contain increases or decreases from the target funding level, which may require some revisions to submitted or approved State Plans.

**2. State Flexibility.** Once final allocations have been received, States are required to meet the base workloads allocated, including all activities, but have the flexibility to use the total dollars approved by ETA among the various UI program categories as they deem appropriate. However, for purposes of determining certification of above base funding for workload above



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the base, the base staff year levels for claims activities as allocated by ETA will be used. Note that this flexibility does not include special allocations which are identified on a case by case basis.

**3. State Financial Reporting System.** ETA does not prescribe the use of any specific accounting and reporting system by the States. States are free to use any accounting system that meets the standards for State grantee financial management systems prescribed by Federal Regulations at 29 CFR 97.20. However, States must be able to report UI financial information in the form and detail described in Chapter II of this Handbook.

**E. OMB Approval.** The Office of Management and Budget (OMB) has approved ET Handbook No. 336 for use through March 31, 2005 according to the Paperwork Reduction Act of 1995, under OMB No.1205-0132.

Persons are not required to respond to this collection of information unless it displays a currently valid OMB control number. Respondents' obligation to reply to these reporting requirements are mandatory (20 CFR 97.42). Public reporting burden for this collection of information is estimated to average 40 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to the U.S. Department of Labor, Office of Workforce Security, Room S4231, Washington, D.C. 20210 (Paperwork Reduction Project 1205-0132).

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**I. INTRODUCTION.** Chapter I of the SQSP Handbook provides guidelines for the completion and submittal of the State SQSP for the UI program and instructions for the Supplemental Budget Request (SBR) process for extraordinary funding.

**II. CONTENT AND SUBMITTAL OF SQSP.**

**A. Overview of Process.** While the SQSP process is ongoing throughout the year, the formal plan submittal occurs once each year in conjunction with the funding cycle and utilizes the following process:

**1. Annual Call Memo.** Each year, formal SQSP plan submittal will be initiated with an announcement memorandum (call memo). States should carefully review the annual call memo. This memo will specify the dates relevant to the SQSP process for the approaching Fiscal Year; summarize Federal Program Emphasis for the year; and identify any special planning requirements in effect for the Fiscal Year. It also will explain opportunities for increased, targeted funding made available on an annual basis in the President's budget if such opportunities exist.

**a. Schedule.** The significant activities and dates relating to the submittal and subsequent approval of the annual SQSP are estimated to be:

<u>Activity</u>	<u>Approximate Date</u>
\$ States submit UI-1 (UI Staff Hours and Travel Staff Years)	Early April
\$ Annual Call Memo Issued	Late May
\$ Regional Offices send financial guidelines and planning targets to States	Late June
\$ States submit SF 424, 424A,(as necessary) 424B	At RO request or with SQSP at the latest
\$ States submit original and two copies of signed SQSP to Regional Office.	Mid August
\$ Regional Office notification to States of SQSP approval	Late September
\$ Regional Offices notify National Office of approved SQSPs	No later than Sept 25

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**b. Federal Program Emphasis.** The Federal Program Emphasis, which may be found in the annual call memo which initiates the SQSP each year, summarizes the primary areas in which the Federal partner will focus attention and resources for the planning year. The five-year Department of Labor (DOL) and ETA Strategic Plans, and the DOL and ETA Annual Performance Plans, form the basis for the Federal Program Emphasis. Required by Congress under the Government Performance and Results Act, the Federal plans are developed in consultation with stakeholders and are an integral part of the Federal budget process. They establish program performance goals and outcomes and identify strategies and performance objectives to attain them. Accordingly, States will want to review the current versions of these planning documents before developing their annual SQSPs. These documents may be found on the DOL and ETA webpage, [www.doleta.gov](http://www.doleta.gov). Printed versions also are available through the Regional Offices.

**c. Special Planning Requirements.** Any special planning considerations or requirements for the planning year will be identified in the call memo.

**2. Financial Guidelines and Planning Targets.** Each year the Regional Offices provide preliminary allocations and any special financial instructions for the year together with the deadline for plan submission.

**3. Performance Assessment.**

**a. Continuous Assessment.** In the SQSP process, both the Federal partner and the State will routinely access performance data to monitor program performance and initiate corrective action/continuous improvement effort whenever they appear to be warranted. The term Corrective Action Plan (CAP) is used to denote plans developed in response to data showing State performance below the minimum performance criteria established for Tier I measures, or in response to Program Reviews conducted during the year by the Federal partner, or in response to egregiously poor performance in Tier II measures. The term Continuous Improvement Plan (CIP) is used to denote plans developed with the intent to raise performance levels for Tier II performance measures, which do not have established minimum criteria, or for Tier I performance levels already above the established minimum criteria. Although performance may be viewed, and judged, at specific points in time (e.g., weekly, monthly, quarterly, etc.), each assessment reviews performance over time and focuses not only on average performance for the period in question, but also on the trend of performance over the period reviewed (e.g., was performance declining or improving, sustained or erratic).

**b. Annual Assessment.** An annual assessment will augment the ongoing continuous improvement process, and will form the basis for continuous improvement planning and corrective action planning for the SQSP. This annual assessment will utilize the most recent 12-month performance data reasonably available. For data reported monthly or quarterly, the

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assessment will include the 12 months ending March 31 of each year. For data reported annually, the assessment will be based on data reported for the most recent complete calendar year (or other full 12-month period, per reporting requirements).

ETA will make all data available to the States in June, but States on their own have continuous access to the data resident on the State SUN computer system, or from the Office of Workforce Security website at <http://www.ows.doleta.gov>. Subsequent performance data that become available during the plan development period (e.g., April, May, June data) should be utilized to refine plans before final submission and approval.

**c. State/Regional Negotiation.** States and Regional Administrators must agree on, before the annual SQSP is signed, the specific areas for which the State will submit CIPs in the SQSP. These negotiations encompass Tier II performance measures and Tier I performance above the established minimum criteria. CAPs are mandatory if performance is unsatisfactory and an effective plan is not already in place for: 1) program reviews conducted during the year by the Federal partner, 2) required reports, 3) BAM requirements, 4) TPS requirements, or for Tier I measures.

**4. State SQSP Preparation.** States must prepare and transmit an annual SQSP in accordance with the instructions in this Handbook and in the annual SQSP call memo.

The SQSP, with its CAPs and CIPs, is the State's formal plan and schedule for improving performance. An acceptable SQSP must have State management approval and authorize the resources necessary to conduct the actions planned. It should not be a staff level proposal to State management for which review and approval (or disapproval) will not occur until after the start of the plan action period.

**5. SQSP Review & Approval.** Regional Offices shall review SQSPs for completeness, and to make sure that they are in accord with the instructions, and that they reflect negotiated agreements. This review may result in the RO initiating additional discussion or obtaining clarification. A plan that the Regional Administrator deems unsatisfactory, i.e., failing to meet the requirements identified in this Handbook, and for which resolution of differences has not been achieved, shall be returned to the State for revision without approval.

**B. Content of SQSP.** The Annual SQSP must contain the elements/documents listed below:

**1. Transmittal Letter.** State Administrators must prepare and send a cover letter to the appropriate Regional Office transmitting all the required SQSP documents.

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**2. State Plan Narrative.** A summary and one or more brief focused narratives, in a prescribed format, addressing each major planning element (goal, objective, functional or programmatic area) upon which the State plans to focus during the program year must be prepared and included in the SQSP.

The State Plan Narrative provides the vehicle for sharing with the Federal partner State/State specific efforts that affect the administration of the UI Program, indicating how the State intends to address Federal Program Emphasis areas, and identifying desired technical assistance. Much as the Federal partner has done by defining Program Emphasis annually, the State Plan Narrative allows the State to designate elements on which it intends to focus in the coming year, and describe how those elements are incorporated into a cohesive and comprehensive plan for administration of the UI Program.

Section III., State Plan Narrative, provides a detailed description and instructions for the format and content of the narratives. A sample narrative is contained in Appendix I.

**3. Corrective Action/Continuous Improvement Plans(CAP/CIP).**

**a. CAPs.** States must complete and submit CAPs for:

- 1.** Performance that did not meet criteria established for Tier I measures for the annual measurement period and remains uncorrected prior to the preparation of the SQSP;
- 2.** Egregious poor performance identified by an analysis of results from Tier II measures;
- 3.** Consistent failure to timely or accurately submit any Federally-required reports;
- 4.** Uncorrected deficiencies identified in program reviews conducted by the State or ETA;
- 5.** Failure to meet Federal requirements identified in the administration of BAM (20 CFR Part 602 and ET Handbook 395) which remain uncorrected; and,
- 6.** Failure to fully complete all parts of the TPS, as required in ET Handbook 407, Revenue Quality Control.

**b. CIPs.** Supporting a continuous improvement environment, the SQSP allows for the optional submission of CIPs which focus on performance that is not deficient, but for which a State and Regional Office see the opportunity to attain an enhanced goal in service delivery.

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States, on their own initiative, or as a result of negotiations initiated by the Regional Office, are encouraged to prepare CIPs for Tier II measures, or Tier I measures above base requirements. The preparation of such plans may be useful to indicate new goals or State program emphasis. Such CIPs are considered part of the SQSP.

The CAP/CIP format is found in Appendix I.

**4. Budget Worksheets.** States must complete required budget forms and plan for administration based on projected allocations received from the Federal partner and Congressional action.

All States must complete Worksheet UI-1 and SF 424, and SF 424B. States must complete the SF 424A only if they vary the quarterly distribution of base claims activity staff years.

States must submit the Worksheet UI-1 by April 1 of each year separately from the SQSP submittal. States must include SF 424, SF 424A (if necessary), and SF 424B in the SQSP submittal, if not submitted previously in August at the Regional Office's request.

Completion instructions and facsimiles of these forms are located in Appendix I.

**5. Organizational Chart.** The State must submit a new organizational chart if its organizational structure has changed in the last year. This organization chart must conform to the requirement for delivery of service through public employment offices, or such other designated providers as the Secretary may authorize; show the State's configuration from the Governor of the State down to the point of Employment Service and UI customer service delivery; and provide sufficient detail to show each organizational unit involved and the title of the unit manager.

**6. Signature Page.** State Administrators must sign and date the Signature Page located in Appendix I. By signing the Signature Page, the State Administrator certifies that the State will comply with all the assurances contained in the SQSP guidelines. Therefore, it is not necessary for States to include written assurances with their SQSP submittals.

**C. Submittal of SQSP.** States must submit an original and two signed copies of the SQSP to their Regional Office by the date the Region has specified. The SQSP Content Checklist located at the end of this chapter shows all the documents which comprise the entire SQSP. Each State must include a completed Checklist to insure that those documents appropriate to its plan are submitted, and to minimize the potential for a delay in the approval and funding process. Electronic transmittal of the SQSP is allowed.

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**III. STATE PLAN NARRATIVE.** A vital element of the SQSP is the newly created opportunity it provides for States to share their key program objectives for the coming year, and the strategies the State intends to utilize to achieve those objectives. Of necessity, the States engage in an annual planning process and set priorities for the coming year. The State Plan Narrative provides a vehicle for sharing the results of that process with the Federal Partner, in a mutually agreed-upon format. In addition, it provides an opportunity to report on the integration and coordination with other internal and external plans which serve the same client.

**A. Description.** The State Plan Narrative consists of an overview and one or more brief focus narratives or summaries, in a prescribed format (see Appendix I), addressing each major planning element (goal, objective, functional or programmatic area) upon which the State plans to focus during the fiscal year. To the extent feasible, these key program objectives will include elements identified as areas of Federal Program Emphasis.

The overview should not be a lengthy document. Focus narratives also should be concise, and serve only as a springboard for additional information. A more detailed discussion with Regional Office staff already may have occurred, or may occur as a follow up. However, in order to develop Regional and National Office support for its objectives, the State needs to provide a minimum amount of information relative to the categories defined in a format that allows for follow-up and tracking.

Below are the components to be included in the State Plan Narrative. These components may be addressed in either the overview or a focus narrative as best describes the State's direction and plans:

- C The strategic direction the State has adopted to ensure continuous program improvement including the basis for the State's choice of areas for the State to emphasize in the planning year and for the actions planned to support performance improvement during the year.
- C A brief description of the current State environment that has a direct impact on UI program performance. Examples of environmental factors include economic conditions, political climate, labor/business relationships, and State legislative issues.
- C Assessment of program performance in prior program years.
- C State-identified continuous improvement targets for the coming year and strategies for accomplishing them.
- C Responses to the Secretary of Labor's areas of program emphasis.

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- C Information on the State approach to maintaining solvency of the State's unemployment fund.
- C State's specific requests for technical assistance from the Federal partner.
- C Information on the State strategy for evaluating customer satisfaction and including customer input to promote continuous improvement.

**B. Format and Instructions.** The State Plan Narrative format and instructions are contained in Appendix I along with a completed sample. The format is intended to provide States flexibility in conveying their overall direction and emphases while providing for electronic transmittal.

**IV. Corrective Action/Continuous Improvement Plans .** These plans consist of a narrative section and milestone summary completed and submitted in the format in Appendix I. Each CAP/CIP must be numbered and titled as in Section V.

**A. Mandatory CAPs.** States must complete and submit CAPs for:

**1. Performance Deficiencies.** Performance that did not meet criteria established for Tier I measures for the annual measurement period and remains uncorrected prior to the preparation of the SQSP.

In many instances, performance deficiencies will have been identified prior to the annual assessment with a CAP already in existence to remedy the problem. Accordingly, the SQSP will not, in many instances, require development of a new CAP unless progress on an existing plan is not on target, does not adequately address milestones for the plan year, or is determined by the Regional Office to be no longer adequate to address the extent of the deficiency as revealed by the annual assessment. Such CAPs (i.e., adequate, existing CAPs) will be incorporated into the SQSP submission along with revised CAPs and CAPs addressing newly identified deficiencies.

**2. Egregious Poor Performance.** Conspicuously bad performance identified by an analysis of Tier II measures.

**3. Reporting Deficiencies.** Consistent failure to timely or accurately submit any Federally-required reports.

**4. Program Review Deficiencies.** Uncorrected deficiencies identified in program reviews conducted by the State, or ETA. Examples of such program reviews include Federal programs (UCFE, UCX, etc.), Data Validation, BPC, Internal Security, UI Automation Support Account (UIASA) monitoring, and State Audits.



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**5. BAM Requirement Deficiencies.** Failure to meet Federal requirements identified in BAM which remain uncorrected. The Regional Office will notify the States when, based on the annual BAM administrative determination, States must prepare a CAP covering any failure to meet Federal BAM requirements. The CAP must specify measures to be taken for correcting the problem(s) in question and provide projected dates for the completion of each step in the plan. The BAM requirements are contained at 20 CFR Part 602 and in the Benefits Accuracy Measurement State Operations Handbook (ET Handbook 395).

**6. TPS Requirement Deficiencies.** A CAP is required for a State that has not fully completed all parts of the TPS as required in ET Handbook 407, Revenue Quality Control.

**B. CIPs.** Supportive of a continuous improvement environment, the SQSP allows for the submission of CIPs which focus on performance that meets or exceeds minimum criteria, but for which a State and Regional Office see the opportunity to attain an enhanced goal in service delivery. States, on their own initiative, or due to negotiations initiated by the Regional Office, are encouraged to prepare CIPs for Tier II measures, or Tier I measures above base requirements. The preparation of such plans may be useful to indicate new goals or State program emphasis. CIPs are part of the SQSP, and must reference the number and title of the measure as found in section V. of this Chapter.

**C. CAP/CIP Format Completion.** When developing a CAP/CIP for deficient performance or continuous improvement, the prescribed format includes the data elements listed below. Sample formats are contained in Appendix I.

**1. Narrative.** The narrative section must address items a-e below.

**a.** An explanation of the reason(s) for the deficiency. For CIPs, this explanation may be omitted.

**b.** The performance goal target expressed as a percentage.

**c.** A description of the actions/activities which will be undertaken to improve performance.

**d.** If a plan was in place the previous fiscal year and performance has not improved as specified in the plan, an explanation of why the actions contained in that plan were not successful in improving performance, and an explanation of why the actions now specified are expected to be more successful.

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e. A brief description of plans for monitoring and assessing accomplishment of planned actions and for controlling quality after achieving performance goals.

If the desired improvement will not be accomplished by the end of the fiscal year for which the plan is submitted, the State must provide: (1) an estimate of where performance will be at the end of the fiscal year; (2) major actions remaining to be taken in subsequent fiscal years; and (3) a projection as to when the performance goal will be achieved, or the program review deficiency or Federal BAM or TPS deficiency will be corrected.

**2. Milestones.** The State must list both specific milestones (key corrective action or improvement activities) and the completion date for each milestone in the space provided. Milestones must be established for each core element of the State's corrective action/improvement plan and be of sufficient number and frequency to facilitate State and Regional plan oversight and assessment during the fiscal year. It is anticipated that one or more milestones for each quarter would permit such progress tracking and assessment during the fiscal year through State and Regional follow-up schedules.

**NOTE:** Milestones should be concise and specify key actions necessary to be accomplished throughout the planning year to implement the State's proposals for achieving its corrective action/improvement goals. States also may wish to identify performance milestones that reflect the performance level they anticipate will result from completion of planned activities.

**3. Assembly.** CAPs/CIPs must be arrayed in the same order in which they appear in the following list of Tier I/Tier II measures.

**V. PERFORMANCE MEASURES.** UI PERFORMS incorporates two tiers of performance measures. Tier I measures are those measures that are considered to be critical indicators of the overall performance of the program. If minimum performance levels for them are not met, it signals fundamental impairment in program operations, and triggers a requirement that a CAP be submitted. Tier II measures represent a menu of additional measures on which Federal data are collected and which, together with Tier I, measures provide a complete picture of the full UI program. States are encouraged to routinely monitor performance data on both Tier I and Tier II measures and to achieve continuous improvement in overall unemployment compensation performance by establishing improvement targets for as many measures as possible.

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**A. TIER I (Criterioned) Measures.** Tier I, or criterioned measures, are key indicators of core performance of the UI program. They were selected to provide coverage of the major areas of UI performance in both the benefits and tax areas based on the Federal UI law requirements, and key indicators for customer service including timeliness, accuracy, and quality.

The DOL sought State and public comment on proposed minimum performance criteria for the Tier I measures through UIPL 4-99, dated October 20, 1998, and through a Federal Register Notice at 63 FR 63544, dated November 13, 1998, and published as final criteria in UIPL 37-99. Once established the criteria for the Tier I measures will represent minimum acceptable levels of performance - floor levels below which the State's customers would not be getting acceptable service. State performance measured by Tier I measures will be the basis for formal Departmental action when criteria are not met. DOL intends to provide various periods for transition to the new Tier I minimum performance criteria, so during the specified transition period ETA will not initiate formal action against a State with performance below a criterion if the State submits a satisfactory corrective action plan and shows evidence of continuing progress in its achievement.

**B. TIER II (Non-Criterioned) Measures.** Tier II measures, like Tier I measures, are routinely reported by the State using Federal definitions found in ETA Handbook 401, but have no nationally established Federal criteria for judging the adequacy of the State's performance. Instead, in conjunction with the Regional Office, and as part of the annual planning process, the State will identify Tier II measures that need or to which it wishes to provide special attention. The vehicle for enhancing performance in these areas is a CIP negotiated between the State and the Regional Office. The State will identify strategies for improvement and reach agreement with the Regional Office for a numerical performance goal for the measure for the year.

However, as provided in Federal UI Law, the Secretary of Labor retains full authority to address cases of egregious poor performance in a State. Egregious performance, defined as conspicuously bad performance, will be judged by the Regional Office by comparing the State's performance against annual goals established in the SQSP, and by noting performance that falls substantially below the national performance for a non-criterioned measure. The vehicle for enhancing deficient performance in these areas is through a CAP as described in paragraph IV.A. above.

<p><b>Note: Definitions for existing Tier II measures are found in ETA Handbook 401.</b></p>
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**UI PERFORMS Tier II Measures**

***Benefits Payment Timeliness Measures***

1. Intrastate UI First Payments Timeliness\*
2. Interstate UI First Payments Timeliness\*
3. UI First Payments Timeliness (Partials/Part Totals)
4. UCFE First Payments Timeliness
5. UCX First Payments Timeliness
6. Continued Weeks Payments Timeliness\*
7. Continued Weeks Payments Timeliness (Partials/Part Totals)
8. Workshare First Payments Timeliness
9. Workshare Continued Weeks Payment Timeliness
10. Intrastate Separation Determinations Timeliness
11. Intrastate Nonseparation Determinations Timeliness
12. Interstate Separation Determinations Timeliness
13. Interstate Nonseparation Determinations Timeliness
14. Nonmonetary Issue Detection Timeliness
15. Nonmonetary Determinations Implementation Timeliness

***Appeals Timeliness Measures***

16. Implementation of Appeals Decision Timeliness
17. Employer Tax Appeal Timeliness [to be developed]
18. Lower Authority Appeals, Case Aging
19. Higher Authority Appeals, Case Aging

***Combined Wage Claims Timeliness Measures***

20. Combined Wage Claim Wage Transfer Timeliness
21. Combined Wage Claim Billing Timeliness
22. Combined Wage Claim Reimbursements Timeliness

***Tax Timeliness Measures***

23. Contributory Employer Report Filing Timeliness
24. Reimbursing Employer Report Filing Timeliness
25. Securing Delinquent Contributory Reports Timeliness
26. Securing Delinquent Reimbursing Reports Timeliness
27. Resolving Delinquent Contributory Reports Timeliness
28. Resolving Delinquent Reimbursing Reports Timeliness

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- 29. Contributory Employer Payments Timeliness
- 30. Reimbursing Employer Payments Timeliness
- 31. Successor Status Determination Timeliness (within 90 days of Quarter End Date)
- 32. Successor Status Determination Timeliness (within 180 days of Quarter End Date)

***Appeals Quality Measures***

- 33. Lower Authority Appeals Due Process Quality
- 34. Higher Authority Appeals Quality - [to be developed]

***Tax Quality Measures***

- 35. Employer Tax Appeals Quality - [to be developed]
- 36. Delinquent Reports Resolution Quality
- 37. Collection Actions Quality
- 38. Turnover of Contributory Receivables to Tax Due
- 39. Turnover of Reimbursing Receivables to Tax Due
- 40. Writeoff of Contributory Receivables to Tax Due
- 41. Writeoff of Reimbursing Receivables to Tax Due
- 42. Contributory Accounts Receivable as a Proportion of Tax Due
- 43. Reimbursing Accounts Receivable as a Proportion of Tax Due
- 44. Field Audits Quality
- 45. Field Audit Penetration, Employers
- 46. Field Audit Penetration, Wages
- 47. Percent Change as a Result of Field Audit

***Benefits Accuracy Measures***

- 48. Paid Claim Accuracy
- 49. Denied Claim Accuracy [under development]

***Tax Accuracy Measures***

- 50. Posting New Determinations Accuracy
- 51. Successor Determinations Accuracy
- 52. Posting Successor Determinations Accuracy
- 53. Inactivating Employer Accounts Accuracy
- 54. Posting Inactivations Accuracy
- 55. Employer Reports Processing Accuracy
- 56. Contributory Employer Debits/Billings Accuracy
- 57. Reimbursing Employer Debits/Billings Accuracy

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- 58. Employer Credits/Refunds Accuracy
- 59. Benefit Charging Accuracy
- 60. Experience Rating Accuracy

***Benefit Payment Control Measures***

- 61. Benefit Payment Control, Establishment Effectiveness [under development]
- 62. Benefit Payment Control, Collection Effectiveness [under development]

\* Includes Total and Partial/Part-Total payments.

**VI. BUDGET WORKSHEETS AND INSTRUCTIONS.** This section contains instructions States will need to prepare resource requests for administering the UI program during the Fiscal Year. Budget worksheets are on pre-numbered pages in Appendix I. Only two UI program operations worksheets (UI-1 and SF 424) are required. State agencies must prepare and submit the UI-1 (via UIRR) for staff hours and travel staff year estimates, and the SF 424 for base level planning and supplemental grant requests.

**A. Worksheet UI-1, UI Staff Hours and Travel Staff Years.** A facsimile of Worksheet UI-1 and associated form completion instructions are found in Appendix I. These data are required for the development of annual base planning targets. The UI-1 worksheet is due by submission via the UIRR to the National Office (Attn.:Office of Workforce Security, Division of Fiscal and Actuarial Services) by April 1 of each year.

**B. SF 424, Application for Federal Assistance.** The regulation at 29 CFR 97.10 requires the use of the OMB Standard Form (SF) 424, Application for Federal Assistance, or other forms approved by OMB under the Paperwork Reduction Act of 1995, for an application for grant funds by State grantees. ETA requires that States use the SF 424 for submitting applications for UI base grants and supplemental budget requests (SBRs). The SF 424 must be filled out according to its instructions.

**1. Procedures for Submission.** States must submit a separate SF 424 and SF 424B for each request for base funding and each SBR. A separate SF 424A also may be required as described in sub-paragraph 2.b., below. In addition, States which submit SBRs must provide supporting justification and documentation. SF 424s are due as requested, or with the SQSP at the latest, for base grants and throughout the year as necessary for SBRs.

**2. Forms Completion Instructions.** States must follow the standard instructions in completing SFs 424, 424A and 424B; however, States are not required to complete all items on the SF 424 and 424A. A facsimile of these forms and completion instructions are found in Appendix I. The following are specific guidelines for completing SFs 424 and 424A.

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**a. SF 424.** States are not required to complete Items 3, 4, 9, 12, and 14 for base grants and SBRs. States must complete the remaining items. In Item 8, all SBRs are considered to be revisions. In Item 12, the title of the project must refer to either the base grant or SBR title and number. SBRs must be numbered sequentially within the fiscal year, e.g., 00-1, 00-2, etc.

**b. SF 424A.** States must complete Items 1, 6, and 16 for SBRs. States are not required to complete this form for base grants, unless they vary the number of base claims activity staff years paid by quarter; States that do so must show the quarterly distribution in Item 23 (Remarks).

**C. SBRs.** The UI appropriation language authorizes supplemental funding related to expenditures due to State law changes enacted after the base allocation is provided. In addition, ETA may on occasion award supplemental funds for specific items not funded in the base allocations.

**1. Allowable/Unallowable Costs.**

**a. Allowable Costs.** States may submit SBRs only for one-time costs that are not a part of base or above base. SBR funds may be used only for the purposes identified in the SBR and/or any modifications to the original agreement approved by the grant officer.

**b. Unallowable Costs.** SBR funds may not be used for ongoing costs, such as maintenance of software and hardware, or ongoing communications costs. In addition, SBRs may not be used to pay for salary increases, even when these increases are caused by a law change.

**2. Guidelines for Preparing SBR Supporting Documentation.** ETA will evaluate and approve all SBRs on the basis of supporting documentation and justification provided. Insufficient justification may delay processing and result in partial or total disapproval of the SBR.

**a. Supporting Documentation.** SBRs may address a variety of projects whose scope cannot be fully anticipated. At a minimum, the SBR supporting documentation must contain the following five elements; however, these guidelines will not perfectly fit every SBR. States should use them as a minimum starting point.

**(1) Summary.** For larger projects, the SBR should contain a summary (1-2 paragraphs) that explains what the funds will accomplish. It should identify major capital expenditures including hardware, software, and telecommunications equipment; staff in excess of

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base staff; contract staff; and other purchases. It should also state what the final product or results will be when the funds have been expended.

**2) Commitment to Complete Project.** ETA cannot assure the availability of future Federal supplemental funds. Applicants must agree to continue efforts to complete the SBR project, and to supply any additional funds necessary to complete the project in a timely manner. This assurance is necessary to ensure that projects begun with federal funds are not abandoned due to a lack of additional federal funding.

**3) Schedule.** If the project activities haven't been completed, the SBR must include a projected schedule. The schedule should provide the projected dates for significant activities from start to completion.

**4) Amount of Funding Requested.** The total dollar amount of the SBR must be included. The costs of specific program modules or tasks also must be listed.

**5) Description of the Proposed Fund Usage.** The SBR must contain a full description of how the funds are to be used and why the proposed expenditures represent the best use of funds for the State. For each specific program module or task, the SBR must include costs for:

**(a) Staff.** The request must identify both one-time State staff needs (in excess of base staff) and contract staff needs. Staff needs must include the type of position (e.g., program analysts), the expected number of staff hours, and the projected hourly cost per position.

**(1) State Staff.** Any staff costs are allowable only for additional staff, not staff previously funded by the State's base grant. Costs incurred by regular State staff assigned to the project on a temporary basis may not be funded by the SBR unless those positions are back-filled. The request may include costs for staff that conduct training; however, personal services (PS) and personal benefit (PB) costs for staff attending training are not allowable unless those positions are back-filled. Unless otherwise justified, regular, Administrative Staff and Technical Services (AS&T), and above base staff year costs must be based on the State PS and PB rate approved for the current year's UI grant. If not itemized in the SBR, standard add-on costs for support and AS&T staff must be based on the rates approved for the current year's base allocation.

**(2) Contractor Staff.** For contract staff, the State must supply documentation including the estimated positions and hours, and the anticipated costs. States electing to negotiate with the ITSC or other available sources for technical assistance must supply



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the same information normally requested for all contract staff, including the type of position, the expected staff hours, and the costs.

(b) **Non-Personal Services (NPS)**. States either may identify itemized one-time State NPS needs or may calculate staff-related NPS costs by formula. If not itemized in the SBR, staff-related NPS costs (excluding data processing and other needs) must be based on the rates approved for the current year's base allocation.

(1) **Hardware, Software, and Telecommunications Equipment**. This section must include any hardware, software, and/or telecommunications equipment purchases that are a part of the request. Descriptions must show that the sizing and capabilities of the proposed purchases are appropriate for the State. States that receive SBR funds for specific items, and subsequently determine that other items are more suitable, may substitute those items if they submit an amendment to the SBR documenting the appropriateness of the purchase, and the grant officer approves the substitution. Substitutions must be in line with the overall goals of the project.

SBRs sometimes include requests for items covered under the definition of automation acquisition in Chapter II. The obligation and expenditure periods for these funds are longer than the periods for regular UI base and above base funds. States must clearly identify automation acquisition items in the SBR.

(2) **Travel**. The request may include NPS travel costs; however, PS and PB costs for staff while on travel are not allowable.

(3) **Other**. The request may include one-time costs for other activities, not identified above, anticipated to be obtained from vendors, such as telephone companies, Internet service providers, and telecommunications providers.

**b. Additional Required Items for Law Change SBRs**. SBRs for law changes must contain the following information:

- 1) The specific bill number of enactment, and effective date of law change.
- 2) Relevant provisions as an attachment.
- 3) Costs per legislative provision and a narrative explaining why costs were or will be incurred for each provision, e.g., implementing tax rate changes; increasing the maximum benefit amount; or creating an alternative base period.

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4) If a legislative provision benefits both UI and non-UI activities, the SBR must contain a statement certifying that the request is consistent with the State's approved cost allocation plan and is only for costs which, under Federal law, may be funded from UI grants.

c. **Supplementary Items.** Some SBRs are for large-scale, complex projects that may be accomplished over a period of years. The following items are not required, but would be helpful in the SBR evaluation process:

1) **Use of Technology.** If applicable, the request should describe how the State will use technology in this project, including the technical appropriateness of the hardware, software, and/or telecommunications equipment for integration with the State's current operating systems.

2) **Strategic Design.** The SBR should include a description of the strategic design of the project as evidence of a well-thought-out analysis of operations.

3) **Measurable Improvements Expected in UI Operations.** The request should identify the areas in which services could be improved through implementation of the proposed project. Measurable improvements may include accomplishing necessary work using fewer steps, doing work more quickly, incorporating work steps which are not currently accomplished, or reducing the amount of error which presently occurs in the work product.

4) **Supporting Materials.** States may attach any additional materials which they believe will enhance the content of the SBR.

**VII. Assurances.** The State Administrator, by signing the SQSP Signature Page, certifies that the State will comply with the following assurances, and that the State will institute plans or measures to comply with the following requirements. A facsimile of the Signature Page appears in Appendix I. Since the Signature Page incorporates the assurances by reference into the SQSP, States should not include written assurances into their SQSP submittal. The assurances are identified and explained in Paragraphs A - H below.

**A. Assurance of Equal Opportunity (EO).** As a condition to the award of financial assistance from ETA, the State must assure that the operation of its program, and all agreements or arrangements to carry out the programs for which assistance is awarded, will comply with Title VI of the Civil Rights Act of 1964, as amended; Section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975, as amended; and the Americans with Disabilities Act of 1990. Further, the State must assure that it will establish and utilize such methods of administration as give reasonable guarantee of compliance with the above equal opportunity and nondiscrimination laws and regulations regarding the services it provides and employment. These methods of administration must, at a minimum, include:

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**1. Designation of a Responsible Employee.** The State must designate an individual to coordinate its EO responsibilities. Sufficient staff and resources (determined on a case-by-case basis) must be assigned to this individual to ensure effective implementation of his or her responsibilities.

**2. Notification.** The State must take affirmative steps to inform applicants, participants, and employees:

- a. that it does not discriminate in admission, access, treatment, or employment; and
- b. of their right to file a complaint and how to do so.

Methods of notification of this information may include, among other things, display of posters, placement of notices in local offices, and publication of notices in, among other things, newsletters, newspapers, or magazines.

**3. Monitoring.** The State must develop and implement a system for periodically monitoring the compliance status of its local offices.

**4. Grievance System.** The State must establish procedures for resolving complaints alleging discrimination on the basis of handicap in services or employment filed with its local offices. The procedures must comply with the appropriate provisions of the regulations implementing Section 504 of the Rehabilitation Act of 1973 at 29 CFR 32.45. All other discrimination complaints are filed directly with the U.S. Department of Labor, Office of Civil Rights.

**5. Accessibility.** The State must assure that the services/programs provided in the local offices are accessible to handicapped individuals. The program information must be available to hearing and vision impaired persons and, as necessary, to persons of limited English-speaking ability.

**6. Corrective Action.** The State must establish procedures for taking prompt corrective action regarding any noncompliance finding of a local office.

**7. Record Keeping.** The State must ensure that characteristics data (e.g., race, sex, national origin, age, handicap status) are maintained in local offices' records on applicants, participants, and employees and that such records are sufficient to determine whether that local office is in compliance with Federal nondiscrimination and equal opportunity statutes and regulations.

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**B. Assurance of Administrative Requirements and Allowable Cost Standards.** The State must comply with administrative requirements and cost principles applicable to grants and cooperative agreements as specified in 20 CFR Part 601 (Administrative Procedure), 29 CFR Part 93 (Lobbying Prohibitions), 29 CFR Part 96 (Audit Requirements), 29 CFR Part 97.41 (Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments), and OMB Circular A-87 (Revised), 60 FR 26484 (May 17, 1995), further amended at 62 FR 45934 (August 29, 1997) (Cost Principles for State, Local, and Indian Tribal Governments), and with administrative requirements for debarment and suspension applicable to subgrants or contracts as specified in 29 CFR Part 98 (Debarment and Suspension). The cost of State staff travel to regional and national meetings and training sessions is included in the grant funds. The State assures that State staff will attend mandatory meetings and training sessions, or return unused funds.

States that have subawards to organizations covered by audit requirements of OMB Circular A-133 (Revised) (Audit Requirements of Institutions of Higher Education and Other Non-Profits) must (1) ensure that such subrecipients meet the requirements of that circular, as applicable, and (2) resolve audit findings, if any, resulting from such audits, relating to the UI program.

The State also assures that it will comply with the following specific administrative requirements.

**1. Administrative Requirements.**

**a. Program Income.** Program income is defined in 29 CFR 97.25 as gross income received by a grantee or subgrantee directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period. States may deduct costs incidental to the generation of UI program income from gross income to determine net UI program income. UI program income may be added to the funds committed to the grant by ETA. The program income must be used only as necessary for the proper and efficient administration of the UI program. Any rental income or user fees obtained from real property or equipment acquired with grant funds from prior awards shall be treated as program income under this grant.

**b. Budget Changes.** Except as specified by terms of the specific grant award, ETA, in accordance with the regulations, waives the requirements in 29 CFR 97.30(c)(1)(ii) that States obtain prior written approval for certain types of budget changes.

**c. Real Property Acquired with Reed Act Funds.** The requirements for real property acquired with Reed Act or other non-Federal funds and amortized with UI grants are in UIPL 39-97, dated September 12, 1997, and in 29 CFR 97.31 to the extent amortized with UI grants.

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**d. Equipment Acquired with Reed Act Funds.** The requirements for equipment acquired with Reed Act or other non-Federal funds and amortized with UI grants are in UIPL 39-97, dated September 12, 1997, and in 29 CFR 97.31 to the extent amortized with UI grants.

**e. Real Property, Equipment, and Supplies.**

1) Real property, equipment, and supplies acquired under prior awards are transferred to this award and are subject to the relevant regulations at 29 CFR Part 97.

2) For super-microcomputer systems and all associated components which were installed in States for the purpose of Regular Reports, Benefits Accuracy Measurement, and other UI Activities, the requirements of 29 CFR Part 97 apply. The National Office reserves the right to transfer title and issue disposition instructions in accordance with paragraph (g) of Federal regulations at 29 CFR 97.32. States also will certify an inventory list of system components which will be distributed annually by ETA.

**2. Exceptions and Expansions to Cost Principles.** The following exceptions or expansions to the cost principles of OMB Circular No. A-87 (Revised) are applicable to States:

**a. Employee Fringe Benefits.** As an exception to OMB Circular A-87 (Revised) with respect to personnel benefit costs incurred on behalf of State employees who are members of fringe benefit plans which do not meet the requirements of OMB Circular No. A-87 (Revised), Attachment B, item 11, the costs of employer contributions or expenses incurred for State fringe benefit plans are allowable, provided that:

1) For retirement plans, all covered employees joined the plan before October 1, 1983; the plan is authorized by State law; the plan was previously approved by the Secretary; the plan is insured by a private insurance carrier which is licensed to operate this type of plan in the applicable State; and any dividends or similar credits because of participation in the plan are credited against the next premium falling due under the contract.

2) For all State fringe benefit plans other than retirement plans, if the Secretary granted a time extension after October 1, 1983, to the existing approval of such a plan, costs of the plan are allowable until such time as the plan is comparable in cost and benefits to fringe benefit plans available to other similarly employed State employees. At such time as the cost and benefits of an approved fringe benefit plan are equivalent to the cost and benefits of plans available to other similarly employed State employees, the time extension will cease and the cited requirements of OMB Circular A-87 (Revised) will apply.

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3) For retirement plans and all other fringe benefit plans covered in (1) and (2) of this paragraph, any additional costs resulting from improvements to the plans made after October 1, 1983, are not chargeable to UI grant funds.

**b. UI Claimant's Court Appeals Costs.** To the extent authorized by State law, funds may be expended for reasonable counsel fees and necessary court costs, as fixed by the court, incurred by the claimant on appeals to the courts in the following cases:

(1) Any court appeal from an administrative or judicial decision favorable in whole or in part for the claimant;

(2) Any court appeal by a claimant from a decision which reverses a prior decision in his/her favor;

(3) Any court appeal by a claimant from a decision denying or reducing benefits awarded under a prior administrative or judicial decision;

(4) Any court appeal as a result of which the claimant is awarded benefits;

(5) Any court appeal by a claimant from a decision by a tribunal, board of review, or court which was not unanimous;

(6) Any court appeal by a claimant where the court finds that a reasonable basis exists for the appeal.

**c. Reed Act.** Payment from the State's UI grant allocations, made into a State's account in the Unemployment Trust Fund for the purpose of reducing charges against Reed Act funds (Section 903(c)(2) of the Social Security Act, as amended (42 U.S.C. 1103(c)(2)), are allowable costs provided that:

(1) The charges against Reed Act funds were for amounts appropriated, obligated, and expended for the acquisition of automatic data processing installations or for the acquisition or major renovation of State-owned real property (as defined in 29 CFR 97.3); and

(2) With respect to each acquisition or improvement of property, the payments are accounted for as credit against equivalent amounts of Reed Act funds previously withdrawn under the respective appropriation.

**d. Prior Approval of Equipment Purchases.** As provided for in OMB Circular No. A-87 (Revised), Attachment B, item 19, the requirement that grant recipients obtain prior

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approval from the Federal grantor agency for all purchases of equipment (as defined in 29 CFR 97.3) is waived and approval authority is delegated to the State Administrator.

**C. Assurance of Management Systems, Reporting, and Record Keeping.** The State assures that:

1. Financial systems provide fiscal control and accounting procedures sufficient to permit timely preparation of required reports, and the tracing of funds to a level of expenditure adequate to establish that funds have not been expended improperly (29 CFR 97.20).

2. The financial management system and the program information system provide Federally-required reports and records that are uniform in definition, accessible to authorized Federal and State staff, and verifiable for monitoring, reporting, audit, and evaluation purposes.

3. It will submit reports to ETA as required in instructions issued by ETA and in the format ETA prescribes.

4. The financial management system provides for methods to insure compliance with the requirements applicable to procurement and grants as specified in 29 CFR Part 98 (Debarment and Suspension), and for obtaining the required certifications under 29 CFR 98.510(b) regarding debarment, suspension, ineligibility, and voluntary exclusions for lower tier covered transactions.

**D. Assurance of Program Quality.** The State assures that it will administer the UI program in a manner that ensures proper and efficient administration. "Proper and efficient administration" includes performance measured by ETA through Tier I measures, Tier II measures, program reviews, and the administration of the UI BAM, BTQ measures, and TPS program requirements.

**E. Assurance on Use of Unobligated Funds.** The State assures that non-automation funds will be obligated by December 31 of the following fiscal year, and liquidated within 90 days thereafter. ETA may extend the liquidation date upon written request. Automation funds must be obligated by the end of the 3<sup>rd</sup> fiscal year, and liquidated within 90 days thereafter. ETA may extend the liquidation date upon written request. Failure to comply with this assurance may result in disallowed costs from audits or review findings.

**F. Assurance of Prohibition of Lobbying Costs (29 CFR Part 93).** The State assures and certifies that, in accordance with the DOL Appropriations Act, no UI grant funds will be used to pay salaries or expenses related to any activity designed to influence legislation or appropriations pending before the Congress of the United States.

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**G. Drug-Free Workplace (29 CFR Part 98).** The State assures and certifies that it will comply with the requirements at this part.

**H. Assurance of Disaster Recovery Capability.** The State assures that it will maintain a Disaster Recovery plan.

**I. Assurance of Conformity and Compliance.** The State assures that the State law will conform to, and its administrative practice will substantially comply with, all Federal UI law requirements, and that it will adhere to DOL directives.

**J. Assurance of Automated Information Systems Security.** The State assures that its automated information systems have security protections commensurate with the risk and magnitude of harm.

**VIII. Content Checklist.** The SQSP Content Checklist shows all the documents which comprise the entire SQSP listed by submittal and in order of assembly. Each State must insure that those documents appropriate to its plan are submitted to minimize the potential for a delay in the approval and funding process.

**SQSP CONTENT CHECKLIST**

**APRIL SUBMITTAL**

UI-1 - UI Staff Hours and Travel Staff Years

**AUGUST SUBMITTAL (Main)**

1. Transmittal Letter
2. State Plan Narrative
  - Summary
  - Program Focus Summaries
3. CAPs
  - Tier I Deficient Performance
  - Tier II Egregious Poor Performance
  - Reporting Deficiencies
  - Program Review Deficiencies:
    - (a) Federal Program Reviews (UCFE, UCX, etc.)
    - (b) BPC Reviews
    - (c) Internal Security Reviews
    - (d) Workload/Data Validation
    - (e) Automation Grants
    - (f) Other



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BAM Requirement Deficiencies:

- (a) Organization
- (b) Authority
- (c) Written Procedures
- (d) Format
- (e) Sample--Selection and Investigation
- (f) Case Completion Timeliness

TPS Requirement Deficiencies

4. CIPs

Tier I - Continuous Improvement (Negotiated or State Option)

Tier II - Continuous Improvement (Negotiated or State Option)

5. Budget Worksheets/Forms:

SF 424, SF 424 (A) & (B) - Application For Federal Assistance (as necessary)

6. Organization Chart

7. Signature Page

**SBR SUBMITTAL (As Appropriate)**

1. Transmittal Letter

2. Budget Worksheets/Forms:

SF 424, SF 424 (A) & (B) - Application For Federal Assistance

3. Supporting Documentation

Summary

Commitment to Complete Project

Schedule

Description of Proposed Fund Usage

Amount of Funding Requested

Expenditures

4. Additional SBR Documentation (Law Change SBRs only)

Bill Number and Effective Date

Relevant Provisions

Costs & Narrative by Legislative Provision

UI only Statement

5. Optional Supplementary Items (Large-scale, Complex Projects)

Technical Approach

Strategic Design

Measurable Improvements Expected

Supporting Materials