

Employment and Training Administration Advisory System U.S. Department of Labor Washington, D.C. 20210	CLASSIFICATION UI
	CORRESPONDENCE SYMBOL DUIO
	DATE June 14, 2010

ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 26-10

TO: STATE WORKFORCE AGENCIES

FROM: JANE OATES /s/
Assistant Secretary

SUBJECT: Unemployment Insurance (UI) Supplemental Funding Opportunity to Improve Performance

1. **Purpose.** To notify State Workforce Agencies (SWAs) of the availability of fiscal year (FY) 2010 UI funds for automation acquisitions that will allow states to implement technological improvements to better serve UI beneficiaries and employers, to accommodate large increases in UI workloads, and to improve program performance.
2. **References.** ET Handbook No. 336, 18th Edition, Change 2, Unemployment Insurance State Quality Service Plan Planning and Reporting Guidelines.
3. **Background.** The Department's priorities include an emphasis on improving service delivery for the UI program and improving the linkages to reemployment services for UI recipients. Funds are available for technology-based investments to improve program performance. This funding opportunity includes projects targeted to improve services to UI beneficiaries and employers and to improve overall system performance.
4. **Use of Funds.** Approximately \$9 million is available to fund Supplemental Budget Requests (SBRs) for performance improvement related activities. Use of these one-time funds should be geared toward investments that will provide future returns. States may propose projects that are directly related to the activities listed in Attachment B. Proposals will be funded up to a maximum of \$500,000.
5. **SBR Scoring Criteria.** The scoring criteria for these proposals are explained in Attachment A along with the value of each of the scoring elements. States should provide the information identified in the guidelines for each element.

Due to the limited availability of funds, additional factors will be considered in the evaluation of the projects. States will receive additional points for providing a percentage of matching funds toward the completion of the project. These points will be scaled based upon the percentage of the matching funds.

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The project will be evaluated for the projected cost-benefits and services or performance that will be improved through implementation of the proposed project. Improvements and cost-benefits must be quantified and estimates must be reasonable. Finally, all cost estimates must be fully justified to explain the necessity of each item requested, and costs must be directly related to the project.

6. **Application, Award, and Expenditure of Supplemental Funds.** States may submit individual proposals for one or more projects in one SBR package. Each proposal will be considered a section of the state's SBR, and each proposal will be evaluated individually. If two or more of these projects contain the same item as a common component, but the item needs to be funded only once, the state must alert the Department of the duplication. This will ensure that the common item is not funded twice.

The Supplemental Budget Request Outline (Attachment A) will be used to evaluate the proposal. Each element should be addressed succinctly providing the specific information requested. Due to the tight timeframe for developing and submitting SBRs, states are asked to provide only the information requested. Additional information such as an introductory narrative is not necessary and does not add to the SBR score. Proposals that do not meet a minimum standard score of 80 points will not be funded.

After projects have been approved, an award letter will be issued to states listing all projects to be funded, the funding level of each, and the total funding level for the state. States must submit one SF-424 (OMB No. 4040-0004) and one SF-424A (OMB No. 4040-0006) covering all of the approved projects.

States must obligate the funds for automation acquisition projects by September 30, 2012, and liquidate the obligations within 90 days of that date. Upon written request from the state, no later than August 31, 2012, the Grant Officer may extend the liquidation period, but only if the funds have been obligated to an outside contractor. An extension cannot be granted if the funds are intended for use by SWA staff or by another state agency (see 29 CFR § 97.3). The obligation deadline for projects that are not automation acquisition related expenditures is December 31, 2010 and these obligations must be liquidated within 90 days of that date.

During the life of the project, expenditures should be reported on the ETA Fiscal Report - ETA 9130 (OMB No. 1205-0461) in the remarks section. By applying for these individual projects, the state is agreeing that the projects will be completed with no additional Federal funding.

7. **Project Management.** If during the performance period states wish to move funds among categories within a project, and the amount to be moved equals or exceeds 20 percent of any category in the initially awarded amount for the project, a new SF-424A must be submitted to the Regional Office. These documents will be forwarded by the Regional Office to the Grants Officer for review and approval. The same requirement for approval by the Grants Officer applies to movement of funds between projects if the amount moved exceeds 20 percent of either the "donating" or "receiving" project as initially funded. States should consult with the Regional Office to determine the appropriate procedures for modifications of 20 percent or less.

In addition, states wishing to transfer funds in excess of \$30,000 between projects must request approval by the Regional Office even if this transfer does not affect the reported categories on the SF-424A. States may not elect to abandon a single project that has been funded and move the funds to a different project that has also been funded. If an approved project is not undertaken by the state, the funds for that project must be returned to the Department.

Action Requested. SWA Administrators are requested to:

- (a) Review the funding opportunities and determine the activities for which the state would like to request funding to improve performance;
- (b) Establish any necessary coordination between the UI program staff and Information Technology staff to develop a proposal(s) under this solicitation;
- (c) Work with the appropriate Regional Office to develop an SBR that will best serve the needs of the state; and
- (d) Submit SBRs to the National Office at OWS.SBR@dol.gov, by July 23, 2010, with a copy to the Regional Office. The title line of the e-mail should include the name of the state and the title "Performance Improvement SBR 2010." An e-mail response will be sent within 24 hours from the OWS SBR mailbox acknowledging receipt of the electronic document.

8. **Inquiries.** Inquiries should be directed to the appropriate Regional Office.

9. **Attachments.**

A. Supplemental Budget Request Outline

B. Project Descriptions

1. Enhanced call center and/or interactive voice response system technology.
2. UI appeals - conversion from tape to digital recordings of appeal hearings.
3. Document management/imaging systems/optical character recognition applications or other related automation such as data input forms and notices for adjudication benefit payment control, benefit accuracy measurement, appeals or tax.
4. Smart schedulers.
5. UI data validation for benefits.
6. UI data validation for tax.
7. Programming to include the full name in UI wage records.
8. Automation to improve linkages for UI claimants to access re-employment services and provide feedback to the UI system.
9. Business Process Analysis and/or Re-engineering.