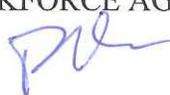


<b>EMPLOYMENT AND TRAINING ADMINISTRATION</b> <b>ADVISORY SYSTEM</b> <b>U.S. DEPARTMENT OF LABOR</b> <b>Washington, D.C. 20210</b>	<b>CLASSIFICATION</b> Unemployment Insurance
	<b>CORRESPONDENCE SYMBOL</b> OUI
	<b>DATE</b> June 15, 2015

**ADVISORY:** UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 16-15

**TO:** STATE WORKFORCE AGENCIES

**FROM:** PORTIA WU   
 Assistant Secretary

**SUBJECT:** Unemployment Insurance (UI) Supplemental Funding Opportunity for Program Integrity and Performance and System Improvements

1. **Purpose.** To notify State Workforce Agencies of the availability of Fiscal Year (FY) 2015 funds for activities that support the prevention and detection of UI improper benefit payments, improve state performance, and address outdated Information Technology (IT) system infrastructures.

2. **References.**

- Executive Order (E.O.) 13520, Reducing Improper Payments (November 20, 2009);
- Improper Payment Information Act of 2002 (IPIA), 31 U.S.C. 3321;
- Improper Payment Elimination and Recovery Act of 2010 (IPERA), 31 U.S.C. 3301;
- Improper Payment Elimination and Recovery Improvement Act of 2012 (IPERIA), 31 U.S.C. 3321;
- Unemployment Insurance Program Letter (UIPL) No. 02-09, and Changes 1-3, Recovery of Unemployment Compensation Debts Due to Fraud from Federal Income Tax Refunds;
- UIPL No. 22-10, Selecting and Monitoring At-Risk States for Continuous Improvement and Compliance with First Payment Timeliness and First Level Appeals Promptness;
- UIPL No. 19-11, National Effort to Reduce Improper Payments in the Unemployment Insurance (UI) Program;
- UIPL No. 26-11, Unemployment Insurance (UI) Supplemental Funding Opportunity for Program Integrity and Performance and System Improvements;
- UIPL No. 33-11, Identification of "Improper Payment High Priority States" for Unemployment Insurance (UI);
- UIPL No. 02-12, Unemployment Compensation (UC) Program Integrity – Amendments made by the Trade Adjustment Assistance Extension Act of 2011 (TAAEA);
- UIPL No. 18-12, Unemployment Insurance (UI) Supplemental Funding Opportunity for Program Integrity and Performance and System Improvements;
- UIPL No. 24-13, Unemployment Insurance (UI) Supplemental Funding Opportunity for Program Integrity and Performance and System Improvements;
- UIPL No. 13-14, Unemployment Insurance (UI) Supplemental Funding Opportunity for Program Integrity and Performance and System Improvements;

<b>RESCISSIONS</b> None	<b>EXPIRATION DATE</b> Continuing
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- Training and Employment Notice (TEN) No. 27-13, Unemployment Compensation for Ex-Servicemembers (UCX) Military-State Data Exchange System (MSDES); and
- TEN No. 34-13, Publication of the Final Rule for the Federal-State Unemployment Insurance (UI) Program - Data Exchange Standardization as Required by Section 2104 of the Middle Class Tax Relief and Job Creation Act of 2012.

3. **Background.** On November 20, 2009, President Obama signed E.O. 13520, *Reducing Improper Payments*, which emphasized the need to eliminate waste, fraud, and abuse in federally administered programs while protecting access to these programs by their intended beneficiaries. Subsequently, the IPIA, as amended by IPERA and IPERIA, requires Federal agencies to review their programs and program activities, identify programs and areas that may be susceptible to significant overpayments, and develop and implement corrective action plans.

The UI Benefit Accuracy Measurement (BAM) program, which provides the basis for assessing the accuracy of UI payments, estimated the UI national improper payment rate to be 11.57 percent for the 2014 reporting period (11.16 percent overpayment rate plus a 0.41 percent underpayment rate). This translates to approximately \$5.6 billion in improper payments nationally.

The Employment and Training Administration (ETA) has been working aggressively to reduce UI improper payments by collaborating with states. This federal-state partnership is working to implement ETA's comprehensive strategic plan that targets the largest root causes of overpayments. The states are implementing these strategies through the Integrity Action Plans that are submitted annually as part of the State Quality Service Plan.

To support states' efforts in implementing elements of the strategic plan, ETA announced supplemental funding opportunities with incentives to accelerate state actions to reduce improper payments and improve performance for FY 2011 (UIPL No. 26-11), FY 2012 (UIPL No. 18-12), FY 2013 (UIPL No. 24-13), and FY 2014 (UIPL No. 13-14). As a condition of eligibility, those funding opportunities required states to implement specific strategies in order to qualify for additional funding. The funding range available for states in each of these opportunities was based on the estimated availability of above-base funding that was not needed to fund workloads experienced by the states. In this announcement we make similar funding available for FY 2015.

One strategy that ETA funded in each of the last four supplemental opportunities was the implementation of the State Information Data Exchange System (SIDES) and SIDES E-Response. SIDES is a web-based system that allows electronic transmission of UI information requests from state workforce agencies to employers and/or Third Party Administrators (TPAs), as well as transmission of responses containing the requested information back to the agencies. For employers with a limited number of UI claims throughout the year, the SIDES E-Response Web site provides an easy and efficient portal for electronically posting responses to information requests from state agencies. SIDES E-Response is available in participating states to any employer or TPA with Internet access. The National Association of State Workforce Agencies (NASWA) manages the day-to-day

operations and maintenance of SIDES. Currently, based on latest data available for the 45 participating states, 99.8 percent of the cases received timely responses from employers. The use of SIDES enables state agencies to make timely eligibility determinations and payments to claimants and to prevent improper payments. As we did in FY 2014, we are requiring all states to implement both SIDES services as a condition for obtaining supplemental funding, and we are making specific funds available to states that have not yet implemented SIDES.

ETA also continues to be committed to supporting states in improving program performance and updating their IT infrastructures. The ITSC reports that the average age of the states' UI IT infrastructures is 23 years, with many systems more than 30 years old. This funding opportunity will provide states with resources to improve program performance and support modernization of their IT infrastructures, including the incorporation of new technologies and tools such as document management systems, forms management, and ad-hoc reporting tools. The resulting systems will provide states with the agility to increase capacity to handle greater claims loads and enhance staff productivity and services.

4. **Structure of Funding Opportunity.** For FY 2015, states must agree to implement both SIDES web-based systems to receive any funding through this solicitation. Section 5 of this UIPL describes the SIDES Implementation Requirement. ETA is reducing the remaining number of required strategies for FY 2015 projects with the goal of providing states greater flexibility to take advantage of the supplemental funding opportunity. States that have not previously received supplemental funding for SIDES implementation may request up to \$500,000 for this activity.

States that have implemented, or agree to implement, SIDES are also eligible to request up to an additional \$500,000 to implement one or more of the strategies described in Section 6 of this UIPL:

- Benefit Year Earnings (BYE) Improper Payment Strategies
- Fraud Prevention Strategies
- Treasury Offset Program (TOP) Implementation
- Unemployment Compensation for Ex-servicemembers (UCX) Automation
- Reemployment Connections
- UI Accessibility
- UI Reporting Improvements, including Data Validation
- UI IT Contingency Plan
- UI IT Security
- Combined Wage Claim (CWC) 02-12 Application
- Business Process Analysis (BPA) for At Risk or High Priority States
- State Specific Program Integrity or Performance Improvement Strategy

States must provide a timeline for completion with milestones and goals for each strategy it commits to implement. States should propose realistic timelines, milestones, and goals for the completion of all strategies. By accepting these funds, a state agrees to meet the commitment(s) made in its application.

Section 7 discusses Consortium funding opportunities for UI IT modernization or integrity projects.

State progress in achieving the timelines and completing the deliverables established in the grant's statement of work will be monitored on a quarterly basis using the reporting format discussed in Section 8 of this UIPL.

5. **SIDES Implementation Requirement.** All states must agree to implement SIDES Web Services and SIDES E-Response to receive any funding through this solicitation. States that have not previously received supplemental funds to implement SIDES must, for purposes of this supplemental budget request (SBR), commit to fully implement both SIDES Web Services and SIDES E-Response to improve the timeliness and quality of separation information needed to adjudicate non-monetary determinations. **States that have not previously received supplemental funds for this activity may request up to \$500,000, and should propose realistic timelines and goals to implement SIDES Web Services and SIDES E-Response as soon as feasible, but with implementation no later than March 31, 2017.**

States that have been previously funded to implement SIDES may satisfy this requirement by attesting that SIDES implementation is complete or underway, providing the completion date/target, and committing to meet a minimum threshold of employer participation in SIDES E-Response. Specifically, states must commit to using SIDES to transmit requests to individual employers not using Third Party Administrators (TPAs) for information on separations and receive employer responses for at least 35 percent of all UI initial claims (new, initial, and additional claims as reported in the ETA 5159). ETA expects that states receiving any FY 2015 supplemental funds will make a substantial effort to achieve the 35 percent SIDES expansion target, but recognizes that states cannot control employer actions. No new funding is available to states that have been previously funded to meet this requirement.

#### SUMMARY OF FUNDS AVAILABLE FOR ELIGIBLE STATES

STRATEGY REQUIREMENT	MAXIMUM FUNDS AVAILABLE
SIDES Implementation	\$500,000

6. **Additional Strategies.** Provided that they meet the SIDES implementation requirement, all states may request funding to implement any of the additional strategies described in this section, if they have not previously done so. **States may request funding for more than one strategy, up to a total of \$500,000 for this section. Please note that funding in this section may not be used to supplement or supplant resources for staffing of routine program operations. However, funding may be used for staff directly involved in activities supporting implementation of an IT project such as development of business requirements, project management, coding, testing, and training.**

- **BYE Improper Payment Strategies.** States may request funds to implement a strategy to address BYE improper payments. Key to addressing this root cause of overpayments is for states to identify as quickly as possible that a claimant has returned to work. ETA encourages states to implement strategies such as:
  - Enhanced National Directory of New Hires (NDNH) processes to flag the next continued claim when an NDNH cross-match “hit” is detected, and require the claimant to speak to a state claims representative when attempting to file his or her next continued claim. In addition to programming to identify hits and flag continued claims, funding for this strategy may also be used to conduct more frequent State Directory of New Hires (SDNH) cross-matches to enable faster detection and prevention of future improper payments. Please refer to this summary [www.dol.gov/dol/maps/pdf/20111212NewJersey.pdf](http://www.dol.gov/dol/maps/pdf/20111212NewJersey.pdf) for a description of a similar strategy implemented in New Jersey.
  - Data analytics and predictive modeling tools for use in the detection and prevention of improper payments. Data analytics tools can assist states to identify and/or prioritize high risk claims, both before and after payment, and refer those claims for review and verification.
  - A state-specific strategy, such as a new cross-match, designed to prevent BYE overpayments. ETA will prioritize requests to implement the enhanced NDNH and data analytics strategies but will consider additional state approaches with the proper justification. States that propose these strategies must provide a detailed description of the project design, expected outcomes, and the impact of the strategy on the state’s improper payment rate.
  
- **Fraud Prevention Strategies.** States may request funds to implement tools that can help prevent and detect fraudulent overpayments. ETA encourages states to implement strategies such as:
  - Internet Protocol (IP) Address blocking software for use in identifying and blocking foreign IP addresses during incoming claim or weekly certification requests. Please refer to this summary for a description of a similar strategy implemented by the state of New York at: <http://www.dol.gov/dol/maps/pdf/20120127NewYork.pdf>.
  - Identity verification systems to authenticate the identity of individuals and prevent the use of personal identifying information for willful misrepresentation in establishing eligibility to apply for UI benefits.
  - Cross-matching with public or private sources of incarceration and mortality data to prevent fraudulent UI overpayments.
  
- **TOP Implementation.** States that have not previously done so may request funds to implement TOP for the recovery of fraudulent and certain non-fraudulent overpayments. States that have implemented, or previously received funding to implement TOP for recovering benefit overpayments, may request funds to implement TOP for recovery of unpaid employer taxes (see UIPLs No. 02-09, Changes 1-3). We note that recoveries nationally using TOP have exceeded \$1.3 Billion since it became available to the UI system and a significant boon to state UI trust funds.

- **UCX Automation.** States may request funds to implement the Military-State Data Exchange System (MSDES), as described in TEN No. 27-13, to improve, streamline, and automate UCX claims filing and billing. The MSDES makes UCX claim filing and billing significantly more efficient by allowing the various branches of the military and the states to electronically communicate with each other instead of relying on a paper-based system. States that have automated their UCX systems have reported significant cost and time savings. Funding for this UCX automation strategy may be used for the following purposes:
  - To cover costs for Interstate Connection (ICON) Network programming necessary to implement MSDES;
  - Programming to provide additional information in the Type 2 Request Record sent to the Federal Claims Control Center (FCCC), which must include: changing the Branch of Service field from optional to required, populating the Maximum Benefit Amount and Weekly Benefit Amount information in the Type 2 Record, and adding dependent allowance;
  - Programming to ensure that states can send and receive all six UCX record types via ICON;
  - Programming to update the UCX message codes to display new message types for error handling in the state system;
  - Developing the appropriate interfaces with the state benefits systems to generate the quarterly billing statement electronically in a standardized (.csv) file format; and
  - Testing state systems to verify display and processing functionality.
  
- **Workforce Innovation and Opportunity Act (WIOA) Data System Integration/Reemployment Connections.** WIOA requires states to work toward integrated data systems across partner programs, including UI, in support of service delivery broadly, including to UI claimants to support their reemployment. WIOA also amends the Wagner-Peyser Act to clearly emphasize the need to serve UI claimants. States may request funds to establish linkages across state IT systems supporting both UI and workforce services (e.g., UI benefits system, state job bank, and/or case management system) in order to more effectively link UI claimants to reemployment services – delivered either electronically or through American Job Centers. States are also encouraged to establish a UI feedback loop when claimants are referred to reemployment services to ensure the claimant maintains UI eligibility. States may consider adoption of two reemployment information technology tools recently developed collaboratively by the NASWA Information Technology Support Center and pilot states that support integrated registration for UI and workforce programs and creates a common front door for job seekers. The Integrated Workforce Registration (IWR) tool and Workforce Integration Profile Page provide an interactive hub for reemployment service delivery and a way to push available jobs to claimants throughout the service delivery life cycle. States may find more information about these tools at <http://rc.workforce3one.org/integrated-service-delivery> or they may contact Subri Raman ([raman.subri@dol.gov](mailto:raman.subri@dol.gov)), Chief, Division of Performance Management, in the National Office.

- **UI Accessibility.** States may request funds to help comply with statutory and regulatory obligations to ensure equal, effective and meaningful access to the UI program and its benefits, services, and information. In delivering UI services, states must ensure that information about UI initial claims filing, Benefits Rights Information (BRI), UI continued weekly/biweekly claims filing, fact-finding and adjudication/determinations, appeals hearings/decisions as well as referrals and linkages to reemployment services are accessible regardless of age, disability, race, national origin, or English language ability. SBR funding is available to make automated system enhancements and/or to provide tools and training to staff to accomplish accessibility compliance.
- **UI Reporting Improvements, including Data Validation.** States may request funds to improve the data quality of UI federal reports submitted to ETA. The proposal must clearly explain the deficiencies with the existing required report(s) that will be addressed by implementing this project. States may also request funding for IT support of data validation efforts to create/revise the data validation population datasets or extract files, modify computer systems to add new fields needed for data validation, ensure that state computer programs are extracting the correct transactions for data validation population datasets, correct errors in data validation extract files, and ensure that the corrections pass data validation guidelines.
- **UI IT Contingency Plan.** States may request funding to develop or update their UI IT Contingency Plan using the guidelines provided in National Institute of Standards and Technology (NIST) Special Publication (SP) 800-34. Upon completion of the plan, State Workforce Agencies (SWAs) must have an Independent Verification & Validation (IV & V) conducted of their UI IT Contingency Plan based on guidelines provided in the NIST SP 800-34. States must submit a copy of the IV&V certification report on their contingency plan to their respective Regional Office.
- **UI IT Security.** States may request funds to address the UI IT security weaknesses that have been identified by recent IT security audits (performed within the last three years from the date of this UIPL) or by a SWA's UI IT security self-assessment that complies with the NIST IT security guidelines found in NIST SP 800-53, *Recommended Security Controls for Federal Information Systems* and NIST SP 800-53A, *Guide for Assessing the Security Controls in Federal Information Systems*.
- **CWC 02-12 Application.** States may request funding to implement the guidance contained in UIPL No. 02-12 and UIPL No. 02-12, Change 1. The Trade Adjustment Assistance Extension Act (TAAEA) of 2011 and implementing guidance contained in UIPL No. 02-12 and UIPL No. 02-12, Change 1, necessitated a new communication process between the paying state and the transferring state involved in a CWC to ensure the paying state's determination of non-charging is promptly communicated to the transferring state and the employer's account is appropriately charged. The effective date of this requirement was October 21, 2013. In a collaborative effort involving ETA, NASWA, and states, an application (CWC 02-12) was implemented on the ICON network to address the TAAEA provision on non-charging. States are required to meet

the provisions of TAAEA and use the CWC 02-12 application to communicate with each other.

- **BPA for At Risk or High Priority States.** States formally designated as “At Risk” for performance, as defined in UIPL No. 22-10, or “High Priority” for improper payments, as defined in UIPL No. 33-11, may request funds to conduct an administrative and/or business process review to:
  - Identify bottlenecks and the causes of poor performance in first payment timeliness and/or appeals timeliness, or
  - Identify areas where changes in business processes could lead to a reduction in the improper payment rate and overall improvement in program integrity.

Only those states that have not received supplemental funding for a program performance BPA in the last two fiscal years may request funding for this purpose. This review should be rigorous and thorough and the outcome should be clear recommendations that may inform additional corrective action steps. Examples of the use of funds may include: (a) Purchase, installation, or training on a software package that supports the administrative and/or business process review; and (b) Engaging a contractor for expert assistance or a subject matter expert to support business process analysis and re-engineering, and develop recommendations for use in an action plan.

- **State-Specific Program Integrity or Performance Improvement Strategy.** States may elect to propose a strategy designed to prevent improper payments or improve state performance. States that propose these strategies must provide a detailed description of the project design, expected outcomes, and the impact of the strategy on the state’s improper payment rate or performance. States may only submit one state-specific strategy as part of the SBR request.

**SUMMARY OF FUNDS AVAILABLE FOR EACH STATE**

<b>ADDITIONAL STRATEGIES</b>	<b>MAXIMUM FUNDS AVAILABLE: \$500,000</b>
BYE Improper Payment Strategies	
Fraud Prevention Strategies	
TOP Implementation	
UCX Automation	
Reemployment Connections	
UI Accessibility	
UI Reporting Improvements, including Data Validation	
UI IT Contingency Plan	
UI IT Security	
CWC 02-12 Application	

BPA for At Risk or High Priority States	
State Specific Program Integrity or Performance Improvement Strategy	

7. **Consortium Projects.** Due to the fact that the available funding for these SBR requests is more limited in FY 2015 overall, funding for consortium activities is also very limited. States that meet the requirement established in Section 5 of this UIPL may submit proposals for UI IT modernization projects as part of a consortium of states in only limited circumstances. We do not intend to fund any new consortia. A consortium planning to submit a proposal must comply with the requirements provided below and in Section 9 of this UIPL. The consortium system that is developed should use open source components to the extent feasible, be transferable, and be available to be shared by multiple state workforce agencies without the need to significantly customize the system, and/or be hosted in one state, which will provide automated services to other states. The purposes for which a consortium of states may submit a proposal are outlined below:

- An existing consortium with completed business requirements for a UI Benefits and/or Tax system may submit a proposal for the design, development and implementation of a UI Benefits and/or Tax system;
- An existing consortium that has substantially completed development of its system may submit a proposal to conduct a fit-gap analysis to enable on-boarding a new state. The proposal must demonstrate a commitment by the consortium and the state to be on-boarded to integrate the new state into the consortium and reflect an agreement to revise the existing consortium agreement, governance structure, and operating model to accommodate the inclusion of the new state agency.
- In very limited circumstances, such as unanticipated costs for additional subject matter experts to assist with the project, ETA may provide additional funding to an existing consortium that received IT modernization funding under an earlier SBR. The rationale for a request must be compelling and demonstrate that changes in circumstances or situations that were unforeseeable are the cause for the need for additional funding.

Consortia are reminded that the project planned by a state consortium must specifically address the following requirements:

- Data outputs that meet UI Required Reporting requirements in ETA Handbook No. 401;
- UI Data Validation requirements as referenced in ETA Handbook No. 361;
- System interfaces with the ICON network applications;
- System interfaces with SIDES;
- Compliance with appropriate assurances as referenced in ETA Handbook No. 336, Chapter VII, including the requirements for Contingency Planning and Automated Information Systems Security;

- Compliance with the final rule for Data Exchange Standardization published in TEN No. 34-13, to designate data exchange standards for UI administration; and
- If the project includes an integrated UI Tax system, it must provide for the continued reporting of wage records, monthly employment, and any other factors required under the Quarterly Census of Employment and Wages (QCEW) program.

All consortium proposals must identify a lead state agency, identify the states participating in the consortium, and explain the projected allocation of and fiscal responsibility for expenditures. Additionally, the proposals must include a copy of the signed agreement(s) by all participating states. A cover letter must be included and signed by the Administrator of the lead state agency and it must explain the roles of the participating state(s) in the project as described in the consortium agreement.

8. **SBR Reporting Requirements.** Each state recipient of SBR funds must submit a narrative Quarterly Progress Report (ETA 9165) and Quarterly Financial Report (ETA 9130) containing updates on the progress and implementation of each grant project as listed in the award letter. For SBRs provided to state consortia for IT modernization projects, the lead state is expected to provide the status report on behalf of the partner states. ETA will issue additional guidance on the submission of quarterly progress reports to meet the reporting and record keeping requirements of these grants.
9. **Application and Award of Supplemental Funds.** To apply for supplemental funds, a state must submit an SBR package (see attachment) consisting of an individual application for the SIDES Implementation Requirement and/or any optional Additional Strategies for which the state seeks funding. Each project application will be evaluated separately. When the same expenditures are requested in two different individual applications and would be duplicated if both were funded, the state must provide a brief explanation in both applications where the costs are duplicated to ensure that the same costs are not funded twice. States are encouraged to use the application document provided in the attachment to prepare an SBR package. States must also submit both the form SF-424 (OMB No. 4040-0004) [http://apply07.grants.gov/apply/forms/sample/SF424\\_2\\_1-V2.1.pdf](http://apply07.grants.gov/apply/forms/sample/SF424_2_1-V2.1.pdf) and SF-424A (OMB No. 4040-0006) <http://apply07.grants.gov/apply/forms/sample/SF424A-V1.0.pdf> covering all projects in the SBR. Applications that do not follow this prescribed format will be returned to the states for correction without review. The U.S. Department of Labor reserves the right to negotiate grant amounts with each applicant. States will be required to submit revised forms SF-424 and SF-424A if the final award amount is different from the initial request. New grant agreements will be executed for supplemental funds awarded under this UIPL.

For consortium projects, the lead state will be responsible for submitting a joint application (see discussion in Section 7) on behalf of the participating states. The proposal must clearly indicate total project costs including a breakdown of individual state costs. States must indicate the minimum funds necessary to complete the proposed project(s). Depending on the availability of funding and number of proposals deemed eligible for funding, it may be necessary to negotiate project funding.

The one-time funds available for automation acquisitions and competitive grants for improved operations and improper payment activities **must be obligated by states by September 30, 2017**, and liquidated within 90 days of that date. Upon written request, the Grant Officer may extend the liquidation period. Funds obligated by a state by September 30, 2017, to an outside entity allows for work supported by these funds to continue for 90 days beyond that date. Any work beyond that date would require an approved liquidation extension beyond the 90-day period. Funds obligated for state staff and services related to automation acquisitions/projects such as subject matter experts, application developers, or project management oversight must be obligated by September 30, 2017, and liquidated within 90 days thereafter.

By applying for any of these funds for individual state projects, the state agrees that the proposed projects will be completed with no additional federal funding. For consortium projects, ETA may allocate additional funding to ensure successful completion of projects, on a case-by-case basis if funding is available. When projects have been approved, a Letter of Award will be issued to the state(s) listing the proposals that are being funded by the SBR. It will include the funding level for each proposal, the total funding level for the state's SBR, and the allocation among states for any consortium projects. Additionally, the state will also receive a grant award package that includes a Notice of Obligation.

- 10. Project Modifications.** If, during the performance period, a state wishes to reallocate funds among categories/projects within its SBR, it must submit a new SF-424A (OMB No. 4040-0006) to the appropriate Regional Office for approval, with a copy to the National Office if the amount to be moved is equal to or exceeds 20 percent of any category of the initially awarded amount for the project. The state must also submit a request for modification of the grant signed by the state's signatory authority. This information will be submitted to the Grant Officer with a request for modification of the SBR grant to reflect the requested changes. For consortium grants, this request must be provided to the National Office by the lead state. Also, all future modification requests to the grant should be sent by email to [OUI.IntegritySBRs@dol.gov](mailto:OUI.IntegritySBRs@dol.gov) with a copy to the appropriate Regional Office.

By accepting these funds, each state agrees to meet the commitment(s) made in its application. States may not elect to abandon an approved (single) project and move funds to a different project. State progress in achieving the timelines and completing the deliverables established in the grant's statement of work will be monitored on a quarterly basis using the reporting format discussed in Section 8 of this UIPL. A state's failure to meet these performance requirements could result in questioned costs that would need to be repaid.

**11. Action Requested.** We request State Administrators to:

- a) Review the funding opportunities and determine whether the state will apply for any funds under this solicitation;
- b) Coordinate with UI program and IT 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 the SBR application by e-mail to [OUI.IntegritySBRs@dol.gov](mailto:OUI.IntegritySBRs@dol.gov) by the close of business on **60 DAYS AFTER PUBLICATION DATE, 2015**, with an electronic copy provided to the appropriate Regional Office. **The subject line of the e-mail should include the name of the state and the title “Integrity-Related SBR 2015.”**

**12. Inquiries.** Questions should be directed to the appropriate Regional Office.

**13. Attachment.**

Attachment: 2015 Supplemental Budget Request (SBR) Application

**14. OMB Information Collection.** OMB Information Collection No 1225-0086, Expires January 31, 2016. According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. Public reporting burden for this collection of information is estimated to average **20** hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments about the burden estimated or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Labor, to the attention of the Departmental Clearance Officer, 200 Constitution Avenue NW, Room N1301, Washington, DC 20210. Comments may also be emailed to: [DOL\\_PRA\\_PUBLIC@dol.gov](mailto:DOL_PRA_PUBLIC@dol.gov). **PLEASE DO NOT RETURN THE COMPLETED APPLICATION TO THIS ADDRESS. SEND IT TO THE SPONSORING AGENCY AS SPECIFIED IN THIS ANNOUNCEMENT.**

2015 Supplemental Budget Request (SBR) Application

**Instructions:** States should complete a separate document using the suggested format above and instructions below for each activity for which the state is seeking funding. These documents are to be combined in a single SBR with a SF-424 and an SF-424A covering all projects. The lead state in a consortium must submit a separate application for a Consortium Project. Applications that do not follow this prescribed format will be returned to states for correction without review.

Unemployment Insurance Supplemental Budget Request Abstract		
State Name:		
Total Funds Requested for All Projects:		
Name, Title, and Address of Grant Notification Contact <i>(Typically the State Workforce Agency Administrator)</i> Name: Title: Address:		
Name, E-Mail Address, and Phone Number of SBR Project or Fiscal Manager Name: E-Mail Address: Telephone Number:		
Name, E-Mail Address, and Phone Number of Benefit Payment Control Supervisor Name: E-Mail Address: Telephone Number:		
Provide the following information for each project <i>(add additional rows as needed)</i> :		
Individual Project Name	Total Cost of Project	Proposed Completion Date

**Unemployment Insurance  
Supplemental Budget Request Abstract**


**SBR Project Application**  
Complete a separate document for each activity for which the state seeks funding

**Name of Project**

**Amount of Funding Request for this Project**

**State Contact**

**Name:**  
**E-Mail Address:**  
**Telephone Number:**

**Project Description**

**Project Timeline**

**Description of Costs**

**State Agency Staff Costs:**

<b>Type of Position</b>	<b>Total Hours</b>	<b>Cost Per Hour</b>	<b>Total</b>

**Contract Staff Costs:**

<b>Type of Position</b>	<b>Total Hours</b>	<b>Cost Per Hour</b>	<b>Total</b>

<b>Hardware, Software and Telecommunications Equipment:</b>			
<b>Item Description</b>	<b>Cost Per Item</b>	<b>Quantity</b>	<b>Total</b>
<b>Other Costs:</b>			
<b>Item</b>	<b>Cost</b>	<b>Explanation</b>	

<b>Strategic Design:</b>

<b>Measurable Improvements Expected in UI Operations:</b>

**Name of Project:**

**Amount of Funding Request for this Project:** Provide the total amount of funds requested in this individual project.

**State Contact:** Provide name, telephone number, and e-mail address of the individual who can answer any questions relating to the proposal.

**Project Description:** Provide a brief description of the activity/project for which the state is seeking funding and explain how the project will improve prevention, detection, or collection of overpayments; or improve performance in other UI activities.

**Project Timeline (20 percent of total score):** Provide a list of the dates and the milestones for this project. The timeline should include the completion of the work, the designation of specific tasks to appropriate parties, the issuance of a request for proposal, if appropriate, the projected start date, the proposed dates to begin and complete testing (if necessary), and the proposed date

for full implementation of the project. These milestones and dates will be used to monitor the implementation of the project.

**Description of Costs (20 percent of total score):** Provide an explanation of all costs included in the project.

- **State Agency Staff Costs:** Use the table format above to request state staff to support project implementation.
- **Contract Staff Costs:** Use the table format above to request contract staff to support project implementation.
- **Hardware, Software, and Telecommunications Equipment:** Provide an itemized list of hardware, software, and telecommunications equipment including the cost per item and the number of each item requested. A description of each item must provide any information needed to identify the specific item and a description of the size and capacity of each item if applicable.
- **Other:** Identify each item of cost not covered elsewhere and provide the expected cost per item. The need for each item must be explained.

**Strategic Design (30 percent of total score):** The strategic design should provide evidence of a thorough analysis of current operations and show that the design will meet the needs of the state. For example, a proposed improper payment strategy could include an explanation of overpayments that are currently not being prevented, detected or recovered because the proposed automated system is not operational. The state must explain how it has determined that the proposed system would be the most beneficial to its operation and accomplish the goals.

**Measurable Improvements Expected in UI Operations (30 percent of total score):** Identify the areas which will be improved or on-going costs reduced through implementation of the proposed project. All improvements and cost reductions must be quantified rather than generalized. For example, if it is anticipated that overpayments will be collected more quickly with the new system, the measurable improvements must identify the anticipated time savings per overpayment and the percentage of overpayments that will be affected by the project(s).