

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION Unemployment Insurance
	CORRESPONDENCE SYMBOL OUI/DPM
	DATE August 17, 2021

ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 23-21

TO: STATE WORKFORCE AGENCIES

FROM: SUZAN G. LEVINE 
Acting Assistant Secretary

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

1. **Purpose.** To notify State Workforce Agencies of the availability of up to \$260 million for activities that promote equitable access to UC programs, which include eliminating administrative barriers to benefit application, reducing state workload backlogs, improving the timeliness of UC payments to eligible individuals, and ensuring equity in fraud prevention, detection, and recovery activities.

2. **Action Requested.** The U.S. Department of Labor’s (Department) Employment and Training Administration (ETA) requests that State Administrators:
 - Review the funding opportunity to determine if the state will apply for funds under this solicitation;
 - Coordinate with appropriate state staff to develop an application under this solicitation;
 - Work with the appropriate ETA regional office to develop a grant application that will best serve the needs of the state; and
 - Submit the state grant application by e-mail to covid-19@dol.gov by the close of business on **October 18, 2021**, with an electronic copy to the appropriate regional office. The subject line of the e-mail should include the name of the state and the title “UI Equity Grant 2021.”

3. **Summary and Background.**
 - a. Summary – The Department is providing up to \$260 million for grants to states that promote equitable access to UC programs, which include eliminating administrative barriers to benefit applications, reducing state workload backlogs, improving the timeliness of UC payments to eligible individuals, and ensuring equity in fraud prevention, detection, and recovery activities. The Department determined the amount available for each state’s grant based on its covered employment for calendar year 2020. States may use the funds to support innovative strategies and solutions to promote equitable access to UC programs. In their applications, states must provide an

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assessment of the problem or issue they would like to address, an explanation of how their proposed use of funds would address the problem or issue, and the outcome metrics that will demonstrate the effectiveness of their actions in improving program equity alongside related evaluation activity, if any. ETA will review and approve proposed projects prior to awarding the funds. States will be required to report on the quarterly progress and implementation of each project to the regional offices.

- b. Background – On March 11, 2021, the President signed the American Rescue Plan Act of 2021 (ARPA) into law (Public Law (Pub. L.) 117-2). Section 9032, ARPA, creates a new Section 2118 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act (Pub. L. 116-136) and provides for a \$2,000,000,000 appropriation to the Secretary of Labor (Secretary) for fraud detection and prevention, and to promote equitable access and ensure timely payment of benefits to eligible workers. ARPA sets out the allowable uses of these funds, including to make grants to states or territories administering unemployment compensation (UC) programs for such purposes.

The Department issued additional funding opportunities for detecting and preventing fraud for the Pandemic Unemployment Assistance (PUA) and Pandemic Emergency Unemployment Compensation (PEUC) programs authorized under the CARES Act, as amended, as well as for the regular UC program. *See* Unemployment Insurance Program Letter (UIPL) No. 28-20, Change 2 and UIPL No. 22-21. States may want to consider these additional funding sources for fraud-related equity activities when preparing their strategies to promote equitable access for UC programs with UI equity grant funds to design a coordinated strategy.

Promoting Program Equity. On January 20, 2021, the President issued Executive Order (EO) 13985 concerning advancing racial equity and support for underserved communities. This EO articulates the importance of advancing equity for all, including people of color and others who have been historically underserved, marginalized, and adversely affected by persistent poverty and inequality. This includes addressing disparities in accessing government programs facing individuals and communities including, but not limited to, low wage workers, Black and Hispanic/Latinx workers, individuals with disabilities, and individuals with limited English proficiency, women, and individuals living in rural areas. Advancing equity requires a systematic approach to embedding fairness in decision making processes and eliminating barriers to access. Public programs must be designed to serve all individuals. For this reason, the Federal Government should, consistent with applicable law, allocate resources to address the historic failure to invest equitably in underserved communities along with the individuals from those communities.

Ensuring access to UC is a longstanding priority of the Department. On October 1, 2015, UIPL No. 02-16 was issued, which articulates the applicable requirements under federal law and provides states guidance to assist with their compliance with these requirements. Change 1 to UIPL No. 02-16, which was issued on May 11, 2020, highlights additional state responsibilities regarding access to UC. Given the fundamental importance of

equity to the Department’s mission, the Department is prioritizing equity in its Strategic Planning and goal setting.

The UC program is a vital safety net for unemployed workers. However, the U.S. Government Accountability Office (GAO) recently shared preliminary information suggesting potential racial and ethnic disparities in the receipt of unemployment insurance (UI) benefits in some states during the COVID-19 pandemic.¹ At the most fundamental level, equity within the UC program means the provision of UC payments to eligible workers, regardless of one’s background, in a timely and fair manner, with an application process that is readily accessible to all workers. Specifically, equity within the UC program includes a wide variety of factors such as eliminating administrative barriers to benefit receipt for eligible individuals, reducing workload backlogs, improving the timeliness and accuracy of UC payments, and ensuring equity in fraud prevention, detection, and recovery activities. This grant opportunity provides states with dedicated funding to support efforts to provide meaningful and equitable access to the UC application process and, when eligible, receipt of UC payments for all unemployed workers.

4. Funding for Improving Program Equity. With the goal of providing incentives for all states to take advantage of this funding opportunity, ETA is structuring this grant opportunity to provide states with broad flexibility to develop their own state-specific strategies to address their immediate needs in the short-term to promote UC program equity. All state applications, as discussed in Section 6 of this UIPL, will be evaluated by ETA based on the potential impact of the strategy on equity-related outcome metrics, as discussed in Section 4.c. of this UIPL.

a. **Amount Available to States².** The Department is providing up to \$260 million to states to promote equitable access to UC programs. The methodology for state funding levels is based on state size. For purposes of this methodology, states are assigned to four groups (Small, Medium, Large, and Extra Large) based on the 12-month average of UC covered employment for the four quarters in calendar year 2020 reported on the ES 202 (Employment, Wages and Contributions). States are assigned to groups as follows:

- Small: covered employment under 1 million employees
- Medium: covered employment between 1 million and 2 million employees
- Large: covered employment between 2 million and 7 million employees
- Extra Large: covered employment greater than 7 million employees

Attachment I lists the amount of funding available for each state.

b. **Allowable Uses of Funds.** States may use the funds made available under this UIPL to support innovative strategies and solutions to promote equitable access to UC programs.

¹ <https://www.gao.gov/products/gao-21-599r>.

² Since Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau do not operate regular UC programs, this grant opportunity is not being made available to these jurisdictions.

This includes strategies to: 1) improve public awareness of the program so more people/ apply; 2) improve service delivery so people have a better experience and receive their first benefit payments sooner and continue to receive benefits as long as they are eligible; and 3) develop a better understanding of the equity challenges that need to be addressed. States have broad flexibility to determine what types of activities to support with grant funds and how to conduct these activities. However, states must explain in their applications how these activities will improve equity in the UC program. *See* Section 4.c. of this UIPL for identifying corresponding outcome measures and Section 6 of this UIPL for information about the application process. In addition, states may use a portion of their grant funds for evaluations of any/all of their grant activities to determine their effectiveness. Permissible uses of these funds include, but are not limited to, the following activities.

- **Improve Claimant Communications.** States may incorporate more “plain language” in written documents, incorporate behavioral science and/or human-centered design into communication, or invest in better or expanded translation services. States may also conduct readability assessments, which may include user research sessions with claimants, and related feedback activities of public documents and implement changes to improve claimant’s ability to understand the information provided in these documents.
- **Improve Claimant Outreach.** States may engage in targeted outreach to workers in different communities that may historically experience barriers to access or have been underserved by the program. States may also incorporate an ombuds-person function to help claimants navigate the application process, including mitigating the effects of the “digital divide” (i.e., assisting claimants with technology issues or concerns in navigating online application systems).
- **Measure Delivery of Benefits and Claimant Experience.** States may measure the overall claimant experience (which includes timeliness of resolution, claimant participation rates during the steps of the eligibility process, and claimant use of different methods to attempt to resolve issues). This measurement would provide states with baseline metrics that identify which groups may not be receiving equitable benefit delivery and how states can target efforts to address these items.
- **Improve Customer Service.** States may consider process reengineering for faster resolution of eligibility determinations, incorporate behavioral science and/or human-centered design into program operations, automate the password reset process, or expand hours and other capacity for call center operations.
- **Reduce Backlogs.** States may take action to reduce backlogs that may have a disparate impact on individuals with barriers to access, which may include process reengineering. For example, states may hire more translators for participation in adjudications and appeals hearings.

- **Facilitate Establishment of Entitlement to Benefits.** States with UI laws that provide for use of an alternative base period (ABP) under certain circumstances for purposes of qualifying for UC payments may automate and make process improvements to the required ABP methods of administration as set out in UIPL No. 17-19 when establishing monetary eligibility. In addition, states may take action to reduce false positives in fraud detection efforts, which includes identity verification activities.
- **Business Process Analysis (BPA) for Equity.** States may conduct a BPA focused on program equity if one has not been performed during the last two calendar years (i.e., 2019 or 2020), or implement one or more recommendations to improve program equity, which were included in a BPA that was performed during the last two calendar years. This operational business process review, which may include tools from human-centered design best practices such as claimant interviews, of a state's benefits system must identify areas where changes in business processes could lead to overall improvement in program equity. The review may be conducted by state staff and/or an independent third party contracted by the state, and recommendations from this review should be included in the state's strategic plan to the extent feasible.
- **BPA for First Payment and/or First Level Appeals Promptness.** States may conduct a BPA if one has not been performed in the last two calendar years (i.e., 2019 or 2020) or implement at least one recommendation to improve program equity as included in a BPA that was performed in the last two calendar years. This operational business process review, which may include tools from human-centered design such as claimant interviews, of state benefit systems must identify areas where changes in business processes will lead to performance improvement. The review may be conducted by state staff and/or an independent third party contracted by the state, and recommendations from this review should be included in the next State Quality Service Plan (SQSP) to the extent feasible.
- **Expanding and Improving Collection of Demographic Data.** States may improve UC program data collection to construct and analyze equity-related measures, such as measures to assess progress in improving equity in claimants accessing UC payments. This could include collecting new information from claimants (such as demographic characteristics), analyzing existing data, or disaggregating data. States choosing this activity must describe the types of data that will be collected or analyzed and the collection or assessment approach. The Department's Chief Evaluation Office is available to provide technical assistance to states on new data collections and/or support states interested in constructing and analyzing new equity measures. States piloting advances in demographic data collection may serve as a model for future system-wide changes in data collection and performance measurement efforts.
- **Hiring Merit Staff and/or Securing Contract Support.** States may hire merit staff and/or obtain contract support for their efforts to increase equity in the UC program. For example, states may hire designers with experience building service delivery systems that focus on equity and access. States must attest that staff hired with these

funds will not be used to replace or supplant existing merit staff and resources (maintenance of effort) and that the additional merit staff will be used to improve equitable access to the UC program. States must develop a detailed budget for these projects and identify projected outcomes.

Section 9015 of ARPA provides states with temporary emergency staffing flexibilities through September 6, 2021, for responding to workload and increased demand resulting from the spread of COVID-19 (See Section 4.b. of UIPL No. 14-21). After the expiration of the emergency staffing flexibilities, contract staff **may not perform inherently governmental functions** and are limited to the activities that non-merit staff employees may perform, as described in UIPL No. 12-01, Change 2. For example, contract staff may be used to contact claimants in order to provide instructions about claimant requirements to report for additional fact-finding, but contract staff may not provide any advice to claimants beyond the approved instructions.

- c. **Examples of Outcome Metrics.** States must identify specific outcome measures by which the effect of their selected strategies/activities will be measured (See Section 4.b. of this UIPL for a list of strategies/activity examples). For example, if a state were to propose using UI equity grant funds to increase adjudications, the state must clearly explain how the proposal will advance equity and how such progress will be monitored. In general, reducing backlogs is an important objective and funds may be used for this purpose if this use will advance equity. For example, if grant funds were to be used to secure additional translation services in order to reduce the backlog of adjudications that require translators, the potential for equity improvements would be evident. Or, if grant funds were used to modify IT systems to allow individuals with two-letter last names or two-word last names to successfully submit an initial claim electronically, the potential equity impact on first payment timeliness for some groups of claimants would be clear. In recognition of the fact that existing performance measures reported to the Department are not sufficiently detailed to demonstrate equity-related effects, states have broad flexibility in identifying the appropriate outcome measures based on demographic data they collect and the specific grant activities proposed. See Section 4 of UIPL No. 11-14 for further information concerning the requirements for data collection and maintenance by demographic group. Progress towards achieving such metrics must be reported as described in Section 5 of this UIPL. Permissible outcome metrics include but are not limited to the following items.
- **Increased Reciprocity Rate for Individuals with Barriers to Access.** A state must identify group(s) of individuals with barriers to access in their state (*e.g.*, individuals with disabilities) and commit to increasing the reciprocity rates for such individuals and/or improving parity of reciprocity rates when comparing across all demographic groups. The state may consider using ETA's definition of "reciprocity rate" within the context of federal reporting, or some other definition of reciprocity rate, broken out by demographic group (*see* Section 4.a. of TEN 16-20).

- **Improved Timeliness of Issuing First Payments and/or Resolving Nonmonetary Determinations.** A state must identify group(s) of individuals with barriers to access in their state (e.g., individuals with limited English proficiency) and commit to improving the timeliness of issuing first payments and/or resolving nonmonetary determinations issues for such individuals and/or improving parity of timeliness rates when comparing across all demographic groups. The state may consider using the percentages calculated from the ETA 9050 or ETA 9052 reports broken out by demographic group, using an in-house calculation of the average number of days until the first payment or nonmonetary determination (i.e., a “case aging” measure) broken out by demographic group, or another timeliness measure.
- **Improved Fraud-Related Activity Accuracy.** Improved timeliness in identifying and resolving fraud “hits” and improved accuracy of fraud hits (i.e., fewer false positives for fraud) to be adjudicated for individuals with barriers to access in their state (e.g., individuals who do not have access to technology to present evidence of identity, such as a photograph that one has taken of oneself, typically one taken with a smartphone or webcam, or low-income individuals who may convert benefits to cash quickly, which may be flagged as potential fraudulent action) and/or improved parity of fraud rates when comparing across all demographic groups. This could include a metric measuring access for individuals with barriers, such as the provision of efficient, alternative access methods for those individuals that are timely and free of charge for the individual.
- **Improved Nonmonetary Adjudication Quality.** A state must identify group(s) of individuals with barriers to access in their state (e.g., individuals with low reading or digital literacy) and commit to improving the quality of nonmonetary adjudication for such individuals and/or improving parity of nonmonetary adjudication quality when comparing across all demographic groups. The state may consider using the percentages calculated from the ETA 9056 broken out by demographic group or some other measure of nonmonetary adjudication quality.

5. **Quarterly Reporting Requirements.** States must provide a narrative Quarterly Progress Report (ETA 9178-ARPA) and Quarterly Financial Report (ETA 9130) containing updates on the progress and implementation of each grant project. The form ETA 9178-ARPA is provided in Attachment V. ETA will use the ETA 9178-ARPA report to track each state’s progress towards implementing the strategy/activity and achieving the identified outcome metric(s) as described in Section 4.c of this UIPL with ARPA funds, ensuring that a state’s use of funds is consistent with the permissible activities outlined in Section 4.b. of this UIPL.

States must provide ETA with an ETA 9178-ARPA narrative update that identifies the specific issue(s) a state’s proposed activities will impact and report specific outcome metrics as they relate to the activities (*see* Section 4.b. of this UIPL). Please refer to Attachment V for instructions for completion and the timeline of submission for the ETA 9178-ARPA.

6. **Application and Award of UI Equity Grant Funds.** To apply for these funds, a state must submit a grant package as described below. Applications that do not follow this prescribed

format will be returned to the states for correction without review. States may be required to submit a revised Budget Narrative, SF-424 and SF-424A if the final award amount is different from the initial request.

ETA may award supplemental awards if additional money becomes available. If supplemental awards are made under this UIPL, modifications to the grant agreement will be executed. If the state has capacity and need for funding beyond the provided funding level, please provide the amount of additional funds requested and a description of the additional activities that would be conducted using the increased funds.

By accepting these funds, each state agrees to meet the commitment(s) made in its application. States may not elect to abandon an approved project and move funds to a different project. State progress in achieving the timelines, outcome metrics, and completing the deliverables established in the grant's application will be monitored on a quarterly basis using the reporting format discussed in Section 5 of this UIPL. A state's failure to meet these performance requirements could result in disallowed costs that must be repaid.

- a. **Grant Application Package.** An application package must contain the following:
- i. As provided in Attachment II, the state must provide a single Request Abstract for the state's application package plus an individual Project Application for each proposed strategy/activity. An electronic version of Attachment II will be made available to states through the ETA regional offices. In their applications, states must provide an assessment of the problem or issue they would like to address, an explanation of how their proposed use of funds would address the problem or issue, and the outcome metrics that will demonstrate the effectiveness of their actions in promoting program equity.

Each proposed strategy/activity must have its own application and each strategy/activity will be evaluated separately. When the same expenditures are referred to in two different parts of the application and would be duplicated if both were funded, the state must provide a brief description in both sections explaining why the funds are duplicated to ensure that the same costs are not funded twice.

The proposal must clearly indicate total project costs, including a breakdown of individual state costs and how much funding, if any, the state is contributing to the project. States must indicate the minimum funds necessary to complete the proposed project(s). In their proposals, states may include costs for activities that were incurred prior to receipt of the grant but no earlier than 90 calendar days before the Federal award of the grant, if appropriate.

- ii. Form SF-424 (OMB No. 4040-0004) https://apply07.grants.gov/apply/forms/sample/SF424_4_0-V4.0.pdf and SF-424A (OMB No. 4040-0006) <https://apply07.grants.gov/apply/forms/sample/SF424A-V1.0.pdf> covering all projects in the grant proposal. Please refer to Attachment III for additional instructions on completing the SF-424 and SF-424A.

- iii. A Budget Narrative to explain the projected costs reflected in each line item of the SF-424A, demonstrating how grant funds will be used. See Attachment IV for instructions on completing the budget narrative.
- iv. Indirect Costs: Applicant states that include indirect costs in the budget, must include either:
 - The approved indirect cost rate with a copy of the Negotiated Indirect Cost Rate Agreement (NICRA), a description of the base used to calculate indirect costs along with the amount of the base, and the total indirect costs requested; OR
 - For those applicant states that meet the requirements to use the 10 percent de minimis rate as described in 2 CFR 200.414(f), a description of the modified total direct cost base (see 2 CFR 200.68 for definition) used in the calculation along with the amount of the base, and the total indirect costs requested based on the 10 percent de minimis rate. The following link contains information regarding the NICRA at DOL: <https://www.dol.gov/agencies/oasam/centers-offices/office-of-the-senior-procurement-executive/cost-price-determination-division>.
- b. **Timeframe for Obligation and Liquidation of Funds.** These UI equity grant funds must be obligated by states by September 30, 2023, and liquidated within 90 days thereafter. Funding for state staff may not be obligated for use at a future date and the obligation may only occur at the time the staff performs services on the project.
- c. **Grant Award.** Once projects have been approved, a Letter of Award will be issued to the state(s) listing the proposal that is being funded and the funding level. Additionally, the state will also receive a grant award package that includes a Notice of Award as well as the Grant Terms and Conditions. The standard Federal award terms and conditions for FY 2021 ETA grants are available here: <https://www.dol.gov/agencies/eta/grants/resources>.
- d. **Project Modifications.** If, during the performance period, a state wishes to reallocate funds among categories/projects within its grant and the amount to be moved is equal to or exceeds 10 percent of the total grant award received under this UIPL, the state must submit a new SF-424A (OMB No. 4040-0006) by email to covid-19@dol.gov with a copy to the appropriate ETA Regional Office for approval. 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 Grants Officer with a request for modification of the grant to reflect the requested changes.

7. **OMB Information Collection.** In general, under the Paperwork Reduction Act of 1995 (PRA), no person is required to respond to a collection of information unless such collection displays a valid OMB control number. However, Section 2116 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act provides that the PRA does not apply to Subtitle A of Title II of Division A of the CARES Act. ARPA amended Subtitle A of Title II of Division A of the CARES Act by adding section 2118, which provides funding and authority for these UI equity grants to states. Thus, the non-application of the PRA applies to information collections required for these UI equity grants.

8. **Inquiries.** Please direct inquiries to covid-19@dol.gov with a copy to the appropriate ETA Regional Office.

9. **References.**

- American Rescue Plan Act of 2021 (ARPA), including Title IX, Subtitle A, Crisis Support for Unemployed Workers (Pub. L. 117-2);
- Consolidated Appropriations Act, 2021, including Division N, Title II, Subtitle A, the Continued Assistance for Unemployed Workers Act of 2020 (Pub. L. 116-260);
- Coronavirus Aid, Relief, and Economic Security (CARES) Act (Pub. L. 116-136), Title II, Subtitle A – Relief for Workers Affected by Coronavirus Act;
- Families First Coronavirus Response Act (Pub. L. 116-127), including Division D Emergency Unemployment Insurance Stabilization and Access Act of 2020 (EUISAA);
- Section 303 of the Social Security Act (42 U.S.C. 503);
- Executive Order 13985 of January 20, 2021; 86 FR 7009, page 7009-7013, <https://www.federalregister.gov/documents/2021/01/25/2021-01753/advancing-racial-equity-and-support-for-underserved-communities-through-the-federal-government>;
- Claim Determination (CD) Standards set forth at 20 C.F.R. 614 Appendix B;
- Standard for Benefit Payment Promptness - Unemployment Compensation, 20 C.F.R. Part 640;
- UIPL No. 22-21, *Grant Opportunity to Support States with Fraud Detection and Prevention, Including Identity Verification and Overpayment Recovery Activities, in All Unemployment Compensation (UC) Programs*, issued August 11, 2021, https://wdr.doleta.gov/directives/corr_doc.cfm?docn=4240;
- UIPL No. 14-21, *American Rescue Plan Act of 2021 (ARPA) - Key Unemployment Insurance (UI) Provisions*, issued March 15, 2021, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=5669;
- UIPL No. 09-21, *Continued Assistance for Unemployed Workers Act of 2020 (Continued Assistance Act) - Summary of Key Unemployment Insurance (UI) Provisions*, issued December 30, 2020, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=3831;
- UIPL No. 28-20, Change 2, *Additional Funding to Assist with Strengthening Fraud Detection and Prevention Efforts and the Recovery of Overpayments in the Pandemic Unemployment Assistance (PUA) and Pandemic Emergency Unemployment Compensation (PEUC) Programs, as well as Guidance on Processes for Combatting*

- Identity Fraud*, issued August 11, 2021,
https://wdr.doleta.gov/directives/corr_doc.cfm?docn=7207;
- UIPL No. 14-20, *Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 - Summary of Key Unemployment Insurance (UI) Provisions and Guidance Regarding Temporary Emergency State Staffing Flexibility*, issued April 2, 2020,
https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=3390;
 - UIPL No. 17-19, *Federal Requirements Regarding State Unemployment Compensation (UC) Alternative Base Period (ABP) Determination Procedures*, issued September 16, 2019,
https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=5769;
 - UIPL No. 02-16, Change 1, *State Responsibilities for Ensuring Access to Unemployment Insurance Benefits, Services, and Information*, issued May 11, 2020,
https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=5491;
 - UIPL No. 02-16, *State Responsibilities for Ensuring Access to Unemployment Insurance Benefits*, issued October 1, 2015,
https://wdr.doleta.gov/directives/corr_doc.cfm?docn=4233;
 - UIPL No. 01-16, Change 1, *Federal Requirements to Protect Claimant Rights in State Unemployment Compensation Overpayment Prevention and Recovery Procedures - Questions and Answers*, issued January 13, 2017,
https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=7706;
 - UIPL No. 01-16, *Federal Requirements to Protect Individual Rights in State Unemployment Compensation Overpayment Prevention and Recovery Procedures*, issued October 1, 2015,
https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=5763;
 - UIPL No. 11-14, *Collection and Analysis of Claimant Demographic Data*, issued May 15, 2014,
http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=9075;
 - UIPL No. 12-01, Change 2, *States' Ability to Exercise Flexibility in Staffing Models for the Performance of Certain Unemployment Compensation (UC) Administrative Activities*, issued January 8, 2021,
https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=8998;
 - UIPL No. 04-01, *Payment of Compensation and Timeliness of Determinations during a Continued Claims Series*, issued October 27, 2000,
https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=1746;
 - UIPL No. 35-95, *The Department of Labor's Position on Issues and Concerns Associated with the Utilization of Telephone and Other Electronic Methods in the Unemployment Insurance (UI) Program*, issued June 28, 1995,
https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=1901;
 - ET Handbook No. 401, 5th edition, *Unemployment Insurance Reports Handbook*, August 2017; and
 - ET Handbook No. 301, 5th edition, *UI Performs: Nonmonetary Determinations Quality Review*, July 29, 2005.

10. Attachments.

- Attachment I: State Size Classifications and Funding Allocation for UI Equity Grants
- Attachment II: UI Equity Grant Application
- Attachment III: Instructions to Complete the SF-424 and SF-424A

- Attachment IV: General Instructions for the Completion of a Budget Information Narrative
- Attachment V: ETA 9178-ARPA Quarterly Narrative Progress Report American Rescue Plan Act (ARPA) Grants

State Size Classifications and Funding Allocation for UI Equity Grants

State	Size Classification	UI Equity Grant Funding Allotment
Alabama	Medium	4,562,000
Alaska	Small	2,283,000
Arizona	Large	6,840,000
Arkansas	Medium	4,562,000
California	Extra Large	9,120,000
Colorado	Large	6,840,000
Connecticut	Medium	4,562,000
Delaware	Small	2,283,000
District of Columbia	Small	2,283,000
Florida	Extra Large	9,120,000
Georgia	Large	6,840,000
Hawaii	Small	2,283,000
Idaho	Small	2,283,000
Illinois	Large	6,840,000
Indiana	Large	6,840,000
Iowa	Medium	4,562,000
Kansas	Medium	4,562,000
Kentucky	Medium	4,562,000
Louisiana	Medium	4,562,000
Maine	Small	2,283,000
Maryland	Large	6,840,000
Massachusetts	Large	6,840,000
Michigan	Large	6,840,000
Minnesota	Large	6,840,000
Mississippi	Medium	4,562,000
Missouri	Large	6,840,000
Montana	Small	2,283,000
Nebraska	Small	2,283,000
Nevada	Medium	4,562,000
New Hampshire	Small	2,283,000
New Jersey	Large	6,840,000
New Mexico	Small	2,283,000
New York	Extra Large	9,120,000
North Carolina	Large	6,840,000
North Dakota	Small	2,283,000
Ohio	Large	6,840,000
Oklahoma	Medium	4,562,000
Oregon	Medium	4,562,000
Pennsylvania	Large	6,840,000
Puerto Rico	Small	2,283,000
Rhode Island	Small	2,283,000
South Carolina	Medium	4,562,000
South Dakota	Small	2,283,000

Tennessee	Large	6,840,000
Texas	Extra Large	9,120,000
Utah	Medium	4,562,000
Vermont	Small	2,283,000
Virgin Islands	Small	2,283,000
Virginia	Large	6,840,000
Washington	Large	6,840,000
West Virginia	Small	2,283,000
Wisconsin	Large	6,840,000
Wyoming	Small	2,283,000
U.S. TOTAL		\$260,000,000

UI Equity Grant Application

Instructions: States must complete a separate document using the suggested format and instructions below for each activity for which the state is seeking funding. This document is to be combined in a single grant application package along with a completed SF-424, an SF-424A, and Budget Narrative covering all projects. Refer to Section 6.a. of this UIPL for additional instruction.

UI Equity Grant 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 Grant Project or Fiscal Manager		
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

UI Equity Grant Project Application
Complete a separate document for each activity for which the state seeks funding, including planned supplemental activities if additional funding is available.

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:

Type of Position	Total Hours	Cost Per Hour	Total

Contract Staff Costs:

Type of Position	Total Hours	Cost Per Hour	Total

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

Strategic Design:

Outcome Metric Demonstrating Improvements Expected in UI Operations:

UI Equity Grant Project Application Instructions

Name of Project: Provide the name of the proposed equity project to be carried out. If the state is submitting requests to fund more than one project, each project should be identified by a different name that describes each project. The state must provide a separate Grant Project Application for each project they are seeking to have funded by the grant (the applications should match the projects in the Request Abstract).

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 equity project for which the state is seeking funding and explain how the project will support promoting equitable access to UC programs for the participating state.

Project Timeline: 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. Any additional work needed to identify and provide progress on the identified outcome metric should be included in this project timeline.

Description of Costs: Provide an explanation of all costs included in the project.

- **State Agency Staff Costs:** Use the table format provided in this attachment to request state staff to support project implementation.
- **Contract Staff Costs:** Use the table format provided in this attachment 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: The strategic design of the equity project should provide evidence of a thorough analysis of current operations and show that the design will meet the needs of the state in promoting equitable access to UC programs.

Outcome Metric Demonstrating Improvements Expected in UI Operations: Identify the outcome metrics which will be used to monitor progress towards improving equitable access to UC programs. *See* Section 4.c. of this UIPL for examples. All improvements must be quantified rather than generalized. If undertaking more than one intervention or project that may impact the same outcome metrics, please describe the evaluation activities that will be undertaken, if any, that will allow for understanding how your proposed intervention or project contributed to the improvements in those metrics, or not.

Instructions for Completing the SF-424 and SF-424A

I. Application for Federal Assistance (SF-424)

Use the current version of the form for submission. Expired forms will not be accepted. SF-424, Expiration Date 12/31/2022, Office of Management and Budget (OMB) Control No. 4040-0004 (Grants.gov).

https://apply07.grants.gov/apply/forms/sample/SF424_4_0-V4.0.pdf

Section # 8, APPLICANT INFORMATION:

- **Legal Name:** The legal name must match the name submitted with the System for Award Management (SAM). Please refer to instructions at <https://www.sam.gov/SAM/>.
- **Employer/Tax Identification Number (EIN/TIN):** Input your correct 9-digit EIN and ensure that it is recorded within SAM.
- **Organizational DUNS:** All applicants for Federal grant and funding opportunities are required to have a 9-digit Data Universal Numbering System (D-U-N-S®) number, and must supply their D-U-N-S® number on the SF-424. Please ensure that your state is registered with the SAM. Instructions for registering with SAM can be found at <https://www.sam.gov>. Additionally, the state must maintain an active SAM registration with current information at all times during which it has an active Federal award or an application under consideration. To remain registered in the SAM database after the initial registration, there is a requirement to review and update the registration at least every 12 months from the date of initial registration or subsequently update the information in the SAM database to ensure it is current, accurate, and complete. Failure to register with SAM and maintain an active account will result in a rejection of your submission.
- **Address:** Input your complete address including Zipcode+4; Example: 20110-831. For lookup, use link at https://tools.usps.com/go/ZipLookupAction_input.
- **Organizational Unit:** Input appropriate Department Name and Division Name, if applicable.
- **Name and contact information of person to be contacted on matters involving this application:** Provide complete and accurate contact information including telephone number and email address for the point of contact.

Section # 9, Type of Applicant 1: Select Applicant Type: Input “State Government”.

Section # 10, Name of the Federal Agency: Input “Employment and Training Administration”.

Section # 11, Catalog of Federal Domestic Assistance Number: Input “17.225”; **CFDA Title:** Input “Unemployment Insurance”.

Section # 12, Funding Opportunity Number and Title: Input “UI Equity Grant”.

Section # 13, Competition Identification Number: Leave Blank.

Section # 14, Areas Affected by Project: Input the place of performance for the project implementation; Example “NY” for New York.

Section # 15, Descriptive Title of Applicant’s Project: Input “UI Equity Grant 2021”.

Section # 16, Congressional Districts of:

- a. Applicant: Input the Congressional District of your home office. For lookup, use link at www.house.gov with Zipcode + 4
- b. Program/Project: Input the Congressional District where the project work is performed. If it is the same place as your home office, input the congressional district for your home office. For lookup, use link at www.house.gov with Zipcode+4

Section # 17, Proposed Project Dates

- a. Start Date: Input a valid start date for the project (earliest start date will be October 1, 2021)
- b. End Date: Input a valid end date for the project (September 30, 2023)

Section # 18, Estimated Funding (\$):

Input the applicable funding allotment as listed for your state in Attachment I. Ensure that the funding requested matches the TOTALS in Section B – Budget Categories of the SF424A.

Section #s 19 – 20: Complete as per instructions for Form SF-424.

Section # 21, Authorized Representative: Please select the “I AGREE” check box and provide complete information for your authorized signatory including contact information such as telephone number and email address. If your Authorized Representative has changed from your previous application submission for this program, please include a letter from higher-level leadership authorizing the new signatory for the application submission.

Remember to have the SF-424 signed and dated by the Authorized Representative

II. Budget Information -Non-Construction Programs (SF-424A)

- Use the current version of the form for the submission. Expired forms will not be accepted. SF 424A, Expiration Date 02/28/2022, OMB Control No. 4040-0006
<https://apply07.grants.gov/apply/forms/sample/SF424A-V1.0.pdf>
- Section B – Budget Categories: Ensure that TOTALS in Section 6, Object Class Categories matches the Estimated Funding requested in the SF-424.
- If indirect charges are specified in Section 6, Object Class Categories, then include either:
 - (a) The approved indirect cost rate with a copy of the Negotiated Indirect Cost Rate

Agreement (NICRA), a description of the base used to calculate indirect costs along with the amount of the base, and the total indirect costs requested; **OR**

- (b) For those applicant states that meet the requirements to use the 10 percent de minimis rate as described in 2 CFR 200.414(f), a description of the modified total direct cost base (see 2 CFR 200.68 for definition) used in the calculation along with the amount of the base, and the total indirect costs requested based on the 10 percent de minimis rate.

**General Instructions for the Completion of a Budget
Information Narrative**

The Budget Information Narrative must include the following information:

- Each line item on the SF-424A must be explained, and the cost provided for each. Each line item on the SF-424A pertains to projected costs at the recipient level, with the exception of the Contractual line item. Contractual should include costs at the project operator level.
 - The total for each line item on the Budget Information Narrative must match the total for each line item on the SF-424A.
 - If a grant modification requests to realign the budget, the narrative must address the reason for the change in each affected line item.
1. **Personnel** – List all staff positions by title. State the annual salary of each person, the percentage of each person’s time devoted to the project, the amount of each person’s salary funded by the grant, and the total personnel cost for the period of performance.
 2. **Fringe Benefits** – Provide the overall fringe benefit percentage which reflects the recipient’s organizational fringe, and list the components included, such as health insurance, FICA, retirement, etc. Provide the fringe benefit calculation for each staff position listed under the Personnel line item.
 3. **Travel** – Specify the type and purpose of the travel, the number of travelers, approximate mileage, per diem rates, estimated number of trips, and other associated travel costs.
 4. **Equipment** – Identify each item of equipment to be purchased. Equipment has an estimated acquisition cost per unit of \$5,000 or more, and a useful life of one year or more. List the quantity and unit cost per item. Items with a unit cost of less than \$5,000 are classified as supplies.
 5. **Supplies** – Supplies include all tangible personal property other than “equipment.” Identify supply categories (e.g. office supplies, cell phones, personal tools for disaster clean-up, etc.). List the cost associated with each category.
 6. **Contractual** –
 - Identify each project operator and the funding allocation made to the organization.
 - Provide total projected costs (NOT for each project operator but as a lump sum) for each of the following categories: Administrative Costs, Career Services, Supportive Services, Training (itemize work-based training and classroom training), and Other Costs (itemized).

7. **Construction** – Construction costs are not allowed and this line must be left as zero. Minor alterations to adjust an existing space for grant activities (such as a classroom alteration) may be allowable. DOL does not consider this as construction and the costs must be shown on other appropriate lines such as Contractual.
8. **Other** – List each item in sufficient detail for DOL to determine whether the costs are reasonable or allowable. Costs included under Other should not fit into any other line item category.
9. **Indirect Charges** – If charging indirect costs to the grant, this line item must be populated. Include the current approved Negotiated Indirect Cost Rate Agreement, signed by the Federal cognizant agency, as an attachment to the grant application.

Form ETA 9178-ARPA

U.S. Department of Labor (DOL)
 Employment and Training Administration
 Form ETA 9178-ARPA

OMB No. N/A³
 Expiration Date: N/A

**Quarterly Narrative Progress Report
 American Rescue Plan Act (ARPA) Grants**

General Information							
State Name:		Grant Number:		Report Quarter Ending:		Date of Submission:	
[]		[]		[]		[]	
Project Name:		[]		UIPL Number:		[]	
Project Contact Information							
Name:		[]		Agency:		[]	
Title:		[]		Address:		[]	
Phone:		[]		Ext:		[]	
E-Mail:		[]		State:		[]	
				Zip Code:		[]	

Project Report

A. Summary of Project

Please limit your response to 1000 characters or less.

States must use this section to provide a detailed executive summary of the project/activity/solution (project). Each funded project will have its own separate quarterly progress report (ETA 9178-ARPA) through the quarter the project ends. States must use this section to provide a short summary of the project’s purpose. This summary should only change during the life of the grant if the state has received an approved modification. Modifications only apply to grants that require a full application.

B. Timeline for Grant Activities and Milestones or Deliverables

Please limit your response to 1000 characters or less.

States must use this section to provide the timelines for and the progress in completing grant activities, key milestones, and deliverables for this quarter. A timeline must still be developed for all project activities. The timeline must provide a project flow that includes start and end dates, schedule of activities, and projected outcomes. In order to reap the most benefit from the timeline, the timeline must be updated each quarter noting the actual date of completion as each activity is accomplished. Items to incorporate in the timeline include: project goals, milestones, special events, important deadlines and deliverables.

³ Refer to section 2116(a) of P.L. 116-136, the Coronavirus Aid, Relief, and Economic Security Act, March 27, 2020.

C. Project Implementation and Funding Status

Please limit your response to 1000 characters or less.

States must use this section to provide a description of the implementation of key activities and/or project status for the current quarter. Place an 'X' in one of the four check-boxes provided below to provide an assessment of implementation progress. The assessment must be supported by the status narrative noting if the project is on schedule, behind schedule, ahead of schedule, or complete this quarter. Once the project is marked as complete this quarter, the state is no longer required to submit an ETA 9178-ARPA report for the project.

In addition, please provide the funding status for this project for the end of the quarter, including the total project funding, total obligated, funding balance, and time remaining to expend funds/expenditure target. |

State Self-Assessment:	On Schedule	Behind Schedule	Ahead of Schedule	Complete this Quarter
Total Project Funding	Total Obligated		Funding Balance	Expenditure Target

D. Project Challenges, Risk Mitigation Efforts/Modification Requests, and Technical Assistance Needs

Please limit your response to 1500 characters or less.

States must use this section to summarize any significant challenges to project implementation encountered during the quarter, and describe any risk mitigation efforts or actions taken to address the identified challenges. In addition, a status update must be provided on the resolution of challenges identified in previous quarters. This section should also include any questions you have for DOL and note any identified needs for technical assistance from DOL or others. The narrative must also indicate whether the grantee is requesting a modification to any project strategies and how the modification request changes the original project proposal. If a modification has been requested, the narrative must also indicate the status of the modification request. Modifications only apply to grants that require a full application. If states have nothing to report, that should be specified. |

E. Best Practices, Promising New Strategies and Success Stories

Please limit your response to 1000 characters or less.

States must use this section to describe promising approaches, innovative processes, or grant success stories. States must also describe any lessons learned and how those lessons learned will be implemented. Throughout the implementation of the project, states may discover new strategies that emerge as a result of data-driven continuous improvement. As progress is made with a new and promising strategy, or as data is gathered to support it, states must document the progress and data each quarter. If states have nothing to report, that must be specified. |

F. Additional Outcome Information

Please limit your response to 1000 characters or less.

This section requires states to report grant-specific outcomes not captured in other sections of the quarterly narrative progress report, including, but not limited to, outcomes measuring equitable service delivery, outcomes measuring fraud detection and prevention, outcomes measuring backlog reduction, specific outcomes included in the grant application. |

Certification	
Name of Grantee Certifying Official:	
Phone:	
E-Mail Address:	

Instructions to Complete ETA 9178-ARPA

Contact Information:

This section is to provide the contact information (*i.e.*, Name, Title, Address, etc.) for the state official who is responsible for the day-to-day operation and implementation of the project. This may be a different person than the certifying official.

Certification:

- **Name of Certifying Official**
Use this section to provide the name of the state official who is certifying submission of the report to the U.S. Department of Labor (Department).
- **Telephone Number**
Provide the area code and telephone number ((###) ###-####) of the authorized state official.
- **Email Address**
Provide the email address of the authorized state official.

General Instructions

States receiving ARPA Grant Funds are required to submit quarterly progress reports to the Department's Employment and Training Administration (ETA) in order to comply with the reporting and record keeping requirements of these funds. Each state recipient of funds must submit a narrative Quarterly Progress Report (QPR) containing updates on the progress and implementation of the project(s) undertaken as a result of the funding.

Report Form and Instructions

The QPR provides narrative updates on the implementation of project(s) undertaken as a result of the funding and the status of each project per quarter.

Due Dates

All quarterly reports are due to ETA no later than 45 days after the end of each reporting quarter. The table below shows the expected due dates for each reporting quarter.

Reporting Quarters	Due Dates
October 1 st – December 31 st	February 14 th
January 1 st – March 31 st	May 15 th
April 1 st – June 30 th	August 14 th
July 1 ST – September 30 th	November 14 th

Should the due date of the report fall on a Saturday, Sunday, or holiday, the report is due the previous business day.

Submission Procedures

Information contained in the quarterly report (ETA 9178-ARPA) must be submitted by email directly to the ETA regional office. An ETA Federal Project Officer will review and accept the report within 30 days of receipt.

OMB Approval. Section 2116(a) of the CARES Act, 5 U.S.C. 9032(a), states that “Chapter 35 of Title 44, United States Code, (commonly referred to as the ‘Paperwork Reduction Act of 1995’) shall not apply to the provisions of, and the amendments made by, this subtitle.” As the OMB approval process is waived for these reporting instructions, these instructions should be considered final.