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| EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210 | CLASSIFICATION UI |
| | CORRESPONDENCE SYMBOL OUI/DFAS |
| | DATE February 27, 2019 |

ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 08-19

TO: STATE WORKFORCE AGENCIES

FROM: MOLLY E. CONWAY 
Acting Assistant Secretary

SUBJECT: Guidelines for Fiscal Year (FY) 2019 State Agency Unemployment Insurance (UI) Resource Allocations, Supplemental Budget Requests (SBRs), and Above-Base Funding

- Purpose.** To provide information to states about FY 2019 UI State Administration base resource allocations, general guidelines for resource planning, above-base funding, and SBRs.
- Action Requested.** State Administrators are requested to provide copies of this information to the appropriate staff.
- Summary and Background.** The Department of Labor Appropriations Act, 2019 (Pub. L. 115-245) providing the Department of Labor with FY 2019 appropriations for state UI operations was enacted on September 28, 2018. The table below summarizes the average weekly insured unemployment (AWIU) levels and federal funding amounts for State Administration, Reemployment Services and Eligibility Assessments (RESEAs), and National Activities corresponding to the FY 2019 President's Budget request and the FY 2019 appropriation.

Summary of FY 2019 UI Budget Authority

| | Budget Request | Appropriation | Difference |
|--------------------------|-----------------|-----------------|--------------|
| AWIU Contingency Trigger | 1,860,000 | 2,030,000 | 170,000 |
| State Administration | \$2,362,816,000 | \$2,365,816,000 | \$3,000,000 |
| RESEA | \$130,000,000 | \$150,000,000 | \$20,000,000 |
| National Activities | \$12,000,000 | \$12,000,000 | \$0 |
| Total | \$2,504,816,000 | \$2,527,816,000 | \$23,000,000 |

| | |
|----------------------------|--|
| RESCISSIONS None | EXPIRATION DATE September 30, 2025 |
|----------------------------|--|

The appropriation provides that these funds are available for obligation by the states through December 31, 2019, except that funds used for automation or competitive grants awarded to states for improved operations and to conduct in-person reemployment and eligibility assessments and unemployment insurance improper payment reviews and to provide reemployment services and referrals to training, as appropriate, are available for obligation by the states through September 30, 2021. In addition, if the automation is being carried out through a consortium of states, the funds are available for obligation by the states through September 30, 2024, and must be expended by September 30, 2025. Funding of \$9,000,000 for the Unemployment Insurance Integrity Center of Excellence is available for obligation by the state through September 30, 2020.

4. **Final Base Allocations.** The final FY 2019 base allocations are identical to the planning targets developed using a 1.7 million AWIU trigger level. The table on Attachment I shows the full FY 2019 base allocations for each state.

5. **Above-Base Administration.**

a. **Above-Base and Contingency Funding.** The FY 2019 appropriation is estimated to be sufficient to provide adequate resources for workloads associated with an AWIU of 1.860 million. Under current projections, this appropriation will allow 100 percent reimbursement of above-base administrative expenses. If the actual workload levels increase and approach an AWIU level that exceeds 1.860 million, the Employment and Training Administration (ETA) may need to reconsider the reimbursements level for above-base administrative expenses.

b. **Emergency Unemployment Compensation (EUC).** Administrative costs for the expired EUC program will continue to be based on quarterly EUC workloads and funded through the UI-3 process. EUC administrative funding is subject to a sequestration reduction of 6.2 percent as described in the OMB Report to the Congress on the Joint Committee Reductions for Fiscal Year 2019.

c. **Support.** The overhead rate for above-base state UI, Trade Adjustment Assistance, Alternative Trade Adjustment Assistance, and Reemployment Trade Adjustment Assistance administration remains at 19 percent.

d. **Postage.** Above-base funding for postage will be issued to states on a quarterly basis using the above-base weeks claimed as reported on the UI-3 reports. For any quarter, regular state program above-base weeks claimed will be those in excess of 25 percent of the FY 2019 base weeks claimed issued in the planning targets. All Trade program and Additional Benefit program weeks claimed reported on the UI-3 are also considered above-base weeks claimed. The above-base postage will be paid at 33.0 cents per above-base week claimed.

e. **Trade Readjustment Allowance (TRA) Redeterminations.** Currently, there are no court decisions on the TRA program that would require states to make monetary

redeterminations. In the event that such a decision is issued, states should follow the UI-3 reporting instructions in ET Handbook No. 336, 18th Edition.

6. **Supplemental Budget Requests (SBRs)**. Generally, instructions for SBRs are provided through UI Program Letters. The *State Quality Service Plan* Handbook also contains SBR instructions and procedures for SBRs. Pending funding availability, states may submit a Standard Form (SF) 424 (OMB Approval No. 4040-0004) and SF-424A (OMB Approval No. 0348-0444) for additional funds for certain types of administrative costs that are not funded within the states' base and above-base grants and may include:
 - a. **Special Projects**. FY 2019 funding for RESEAs will be provided to states to continue activities in accordance with each state's approved FY 2019 RESEA program.
 - b. **Submission Requirements**. To achieve greater efficiency and as part of ETA's ongoing effort to streamline the grant award process, SBR submissions must be made using an electronically signed copy of the SF-424 - Application for Federal Assistance, and the SF-424A - Budget Information for Non-Construction Programs, through Grants.gov (<https://www.grants.gov/web/grants/forms.html>). Additional information on use of Grants.gov for SBR submission will be included in guidance announcing SBR opportunities.
 - c. **Travel**. Travel reimbursements are available for Benefit Accuracy Measurement Peer Reviews, Tax Performance System reviews, and other opportunities announced through program advisories. States should provide travel estimates and reimbursement requests to the appropriate regional office rather than submitting an SF 424 for these travel dollars.
7. **Nationally Funded Activities**. As provided in the State Unemployment Insurance and Employment Service Operations appropriation, the U.S. Department of Labor will make payments, on behalf of the states, to the entities operating the National Directory of New Hires and the State Information Data Exchange System for use by the states.
8. **State Flexibility**. All state UI administrative grant funds must be used in accordance with Section 303(a)(8) of the Social Security Act (SSA) and the cost principles contained in 2 C.F.R. Part 200 and 2 C.F.R. Part 2900, referred to as the Uniform Guidance. Beyond this, states have discretion to expend these grant funds as they deem appropriate and necessary to manage and operate their UI programs to meet established goals and requirements within the parameters of the SSA and the appropriation. The only caveat is that states must use the annual allocated staff-year level for claims activities for above-base reporting purposes. This ensures that states do not earn more above-base resources than they otherwise would have been entitled to earn. This flexibility does not apply to funding provided for special projects or supplemental budget requests; funding for these purposes must be spent in accordance with the spending plans approved for these respective projects.
9. **Inquiries**. Questions are to be submitted to the appropriate regional office.

10. References.

- Section 303(a)(8) of the Social Security Act;
- 42 U.S.C. Section 503(a)(8);
- Department of Labor Appropriations Act, 2019, Public Law (Pub. L.) 115-245;
- 2 C.F.R. Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Rule*;
- 2 C.F.R. Part 2900, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Department of Labor)*;
- Office of Management and Budget (OMB) Report to the Congress on the Joint Committee Reductions for Fiscal Year 2019 (February 12, 2018);
- Unemployment Insurance Program Letter (UIPL) No. 10-18, Fiscal Year (FY) 2019 *State Workforce Agency Unemployment Insurance (UI) Resource Planning Targets and Guidelines*, issued August 6, 2018;
- UIPL No. 01-19, *Implementation of Sequestration under the Budget Control Act of 2011 for Mandatory Unemployment Insurance Programs for Fiscal Year 2019*, issued December 12, 2018;
- UIPL No. 12-18, *Additional Planning Guidance for the Fiscal Year (FY) 2019 Unemployment Insurance (UI) State Quality Service Plan (SQSP)*, issued August 17, 2018; and
- Employment and Training (ET) Handbook No. 336, 18th Edition (April 2014), *Unemployment Insurance State Quality Service Plan (SQSP), Planning and Reporting Guidelines*.

11. Attachment.

I. FY 2019 State UI Administration Base Allocations

State UI Administration Base Allocations
FY 2019

| | Administration | Postage | Total |
|-------------------|----------------|-------------|---------------|
| National Total | 2,177,472,000 | 107,509,000 | 2,284,981,000 |
| Alabama | 24,277,512 | 1,038,336 | 25,315,848 |
| Alaska | 20,842,457 | 468,167 | 21,310,624 |
| Arizona | 30,681,209 | 1,469,381 | 32,150,590 |
| Arkansas | 16,703,035 | 780,116 | 17,483,151 |
| California | 298,508,381 | 19,378,021 | 317,886,402 |
| Colorado | 31,281,945 | 1,599,958 | 32,881,903 |
| Connecticut | 40,682,020 | 1,930,524 | 42,612,544 |
| Delaware | 7,505,866 | 337,227 | 7,843,093 |
| Dist. of Columbia | 8,420,431 | 462,776 | 8,883,207 |
| Florida | 73,333,164 | 3,446,376 | 76,779,540 |
| Georgia | 53,719,308 | 1,969,747 | 55,689,055 |
| Hawaii | 12,056,347 | 430,465 | 12,486,812 |
| Idaho | 12,250,360 | 489,344 | 12,739,704 |
| Illinois | 132,530,721 | 5,460,460 | 137,991,181 |
| Indiana | 30,773,461 | 1,399,021 | 32,172,482 |
| Iowa | 23,332,560 | 1,174,256 | 24,506,816 |
| Kansas | 15,856,582 | 743,529 | 16,600,111 |
| Kentucky | 23,651,000 | 1,115,388 | 24,766,388 |
| Louisiana | 23,661,361 | 1,013,759 | 24,675,120 |
| Maine | 11,901,165 | 424,183 | 12,325,348 |
| Maryland | 46,006,503 | 1,828,245 | 47,834,748 |
| Massachusetts | 53,557,866 | 3,511,521 | 57,069,387 |
| Michigan | 104,878,761 | 3,095,089 | 107,973,850 |
| Minnesota | 34,779,899 | 2,249,594 | 37,029,493 |
| Mississippi | 16,566,924 | 581,452 | 17,148,376 |
| Missouri | 29,821,900 | 1,609,736 | 31,431,636 |
| Montana | 7,590,441 | 450,971 | 8,041,412 |
| Nebraska | 13,301,927 | 427,607 | 13,729,534 |
| Nevada | 22,080,460 | 1,045,668 | 23,126,128 |
| New Hampshire | 10,110,520 | 294,616 | 10,405,136 |
| New Jersey | 91,330,490 | 4,926,492 | 96,256,982 |
| New Mexico | 12,145,180 | 596,414 | 12,741,594 |
| New York | 155,484,786 | 8,011,460 | 163,496,246 |
| North Carolina | 46,242,847 | 1,655,769 | 47,898,616 |
| North Dakota | 6,379,365 | 319,755 | 6,699,120 |
| Ohio | 64,664,902 | 3,126,448 | 67,791,350 |
| Oklahoma | 19,335,401 | 986,680 | 20,322,081 |
| Oregon | 42,912,073 | 1,597,686 | 44,509,759 |
| Pennsylvania | 105,302,394 | 5,979,153 | 111,281,547 |
| Puerto Rico | 11,606,071 | 1,053,667 | 12,659,738 |
| Rhode Island | 11,424,791 | 498,657 | 11,923,448 |
| South Carolina | 25,444,949 | 974,539 | 26,419,488 |
| South Dakota | 4,333,333 | 178,833 | 4,512,166 |
| Tennessee | 28,127,679 | 1,040,758 | 29,168,437 |
| Texas | 121,940,849 | 7,934,291 | 129,875,140 |
| Utah | 21,421,992 | 665,913 | 22,087,905 |
| Vermont | 6,426,015 | 260,710 | 6,686,725 |
| Virgin Islands | 1,501,800 | 32,588 | 1,534,388 |
| Virginia | 33,907,446 | 1,820,657 | 35,728,103 |
| Washington | 68,647,922 | 2,815,314 | 71,463,236 |
| West Virginia | 9,517,071 | 616,388 | 10,133,459 |
| Wisconsin | 51,413,047 | 1,945,982 | 53,359,029 |
| Wyoming | 7,297,511 | 245,313 | 7,542,824 |