

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION OWS
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ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO.26-07

TO: STATE WORKFORCE AGENCIES

FROM: EMILY STOVER DeROCCO 
Assistant Secretary

SUBJECT: Administrative Funding for Disaster Unemployment Assistance (DUA) Activities

- Purpose.** To inform state workforce agencies that the Department of Homeland Security, Federal Emergency Management Agency (FEMA) will not approve any costs related to new/enhanced automation of DUA activities. In addition, FEMA requires prior approval of costs related to: 1) announcements of the availability of DUA; and 2) administrative costs exceeding 15 percent of the total DUA benefit funding request.
- References.** Title III of the Social Security Act (SSA), 20 CFR Part 625, ET Handbook 356, and Section 410 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (the Act).
- Background.** The President may declare that a major disaster exists at the request of the Governor of an affected state and authorize Federal assistance to be made available, which may include DUA. When a disaster is declared that includes DUA, state unemployment insurance (UI) agencies act as agents of the Federal government in administering the DUA program. DUA is available to eligible individuals who are unemployed as a direct result of the major disaster and who are not entitled to any other state or federal unemployment compensation program.

FEMA provides funding for the DUA program, including funding for DUA benefits and associated administrative costs. UI grant funds may be used only to administer state and Federal UI programs and may not be used to administer DUA.

RESCISSIONS	EXPIRATION DATE July 23, 2008
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4. Guidance Related to Administrative Funding Requests:

- A. Announcements of DUA Availability. DUA regulations at 20 CFR 625.17 require prompt announcement by the state of the availability of DUA benefits. The state must announce the following information throughout the major disaster area: (1) individuals who are unemployed as the result of the major disaster may be entitled to DUA; (2) initial applications for DUA should be filed as soon as possible, but not later than the 30th day after the announcement date; (3) the beginning date of the Disaster Assistance Period; and (4) where individuals may obtain further information and file applications for DUA.

In the past, states used their discretion and knowledge of the impacted community in determining when free public service announcements needed to be augmented, and they arranged to make these paid announcements via the appropriate commercial media. States then submitted requests for reimbursement of those advertising costs incurred to FEMA as a portion of the states' administrative expenses. States should no longer announce DUA availability when an advertising cost will be incurred to do so. Instead, a state must coordinate with FEMA to make these announcements through the appropriate FEMA Regional Public Information Office. States will then meet the requirement under the DUA regulations for announcing the availability of DUA upon sending the announcement information to FEMA for action.

The FEMA National Office has advised all of its Regional Public Information Offices that it is FEMA's responsibility to make announcements of the availability of DUA. A state will provide all of the necessary information for these announcements, which must include eligibility requirements, filing deadlines, and application procedures. The state will also provide translations of the announcements into languages other than English, as necessary. If a state believes that additional special announcements regarding DUA availability are needed, approval of costs related to such special announcements must be obtained from FEMA in advance.

- B. Automation Costs Associated with DUA Processing and Payments. Many states rely primarily on manual processes to administer their DUA program. Some states have requested funds to automate DUA, or to enhance existing DUA automated systems, to introduce efficiencies, improve timeliness and promptness as required at 20 CFR 625.9(a), and provide higher quality services to individuals subsequent to a disaster declaration in the state(s). However, states should be aware that FEMA has advised the Department that such automation costs will not be approved unless the state can clearly show that the automation will result in cost savings for the current specific disaster(s). The Department of Labor is currently discussing state automation needs for DUA with FEMA.

States may use funds other than UI administrative funds to automate DUA processes, but they should not expect to be reimbursed by FEMA for these expenditures.

States that already have automated systems in place to process DUA claims must document the cost share for the claims processing attributable to DUA and must include these processing costs and service fees in their initial and supplemental funding requests.

Details for the preparation of the initial and supplemental funding requests can be found in ET Handbook No. 356 Chapter IX.

States are reminded that if they expect to have administrative costs exceeding 15 percent of the benefit amount request, they are required to submit sufficient justification and documentation of these costs. States must include in the documentation, detailed information for costs, by category, associated with a state's approved cost allocation plan or indirect cost rate. The Department of Labor is working with FEMA to obtain clarification and develop additional guidance regarding the type of justification that is required.

5. **Action**. State administrators are requested to distribute this advisory to appropriate staff.
6. **Inquiries**. Questions should be addressed to the appropriate Regional Office.