EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	**CLASSIFICATION** Unemployment Insurance
	CORRESPONDENCE SYMBOL OUI
	DATE September 8, 2017

ADVISORY: **UNEMPLOYMENT INSURANCE PROGRAM LETTER NO.** 22-17

TO: STATE WORKFORCE AGENCIES

FROM: BYRON ZUIDEMA /s/
                 Deputy Assistant Secretary

SUBJECT: Unemployment Insurance (UI) Supplemental Funding Opportunity for State Consortia to Modernize Tax and Benefit Systems

1. **Purpose.** To notify State Workforce Agencies (SWAs) of the availability of Fiscal Year (FY) 2017 funds for continued support of state consortia to modernize UI tax and benefit systems by addressing outdated information technology system infrastructures.

2. **References.**
   - 26 U.S.C. 6103(l)(10)(B), Confidentiality and Disclosure of Returns and Return Information;
   - 20 CFR Part 619, *Unemployment Compensation Data Exchange Standardization for Improved Interoperability*;
   - Consolidated Appropriations Act of 2017, Public Law No. 115-31 (May 5, 2017);
   - Unemployment Insurance Program Letter (UIPL) No. 26-11, *Unemployment Insurance Supplemental Funding Opportunity for Program Integrity and Performance and System Improvements (July 18, 2011)*;
   - UIPL No. 17-12, *Unemployment Insurance (UI) State Information Data Exchange System Messaging and Communications Toolkit Availability (May 9, 2012)*;
   - UIPL No. 18-12, *Unemployment Insurance Supplemental Funding Opportunity for Program Integrity and Performance and System Improvements (May 11, 2012)*;
   - UIPL No. 24-13, *Unemployment Insurance Supplemental Funding Opportunity for Program Integrity and Performance and System Improvements (July 25, 2013)*;
   - UIPL No. 13-14, *Unemployment Insurance Supplemental Funding Opportunity for Program Integrity and Performance and System Improvements (June 16, 2014)*;
   - UIPL No. 16-15, *Unemployment Insurance Supplemental Funding Opportunity for Program Integrity and Performance and System Improvements (June 15, 2015)*;
   - UIPL No. 19-15, Change 1, *Unemployment Insurance Supplemental Budget Request (SBR) Activities: Quarterly Program Reporting Form and Instructions (April 21, 2017)*;
   - UIPL No. 19-16, *Unemployment Insurance Supplemental Funding Opportunity for Improved Operations (August 21, 2017)*;
   - Training and Employment Notice (TEN) No. 34-13, *Publication of the Final Rule for the Federal-State Unemployment Insurance Program - Data Exchange Standardization as*

RESCISSIONS	**EXPIRATION DATE**
None	Continuing

Required by Section 2104 of the Middle Class Tax Relief and Job Creation Act of 2012 (June 9, 2014); and
- TEN No. 28-14, *Pre-Implementation Planning Checklist for State Unemployment Insurance (UI) Information Technology (IT) Modernization Projects (March 27, 2015).*

3. **Background.** State UI programs are a critical component of the nation's social and economic safety net. States are heavily dependent on information technology (IT) systems to carry out their UI operations and to pay benefits to claimants in a timely manner. UI programs in many states operate using aging IT systems, some dating from the 1970s. States with these obsolete systems had difficulty ramping up to process recession-level workloads and modifying their systems to accommodate required programs changes, such as the Emergency Unemployment Compensation and Federal Additional Compensation programs that were in place during the most recent recession, and to implement new Federal requirements. These difficulties delayed payments to eligible unemployed workers and frustrated potential beneficiaries. Problems inherent in these aging systems include lack of flexibility to adapt to program changes and difficulty obtaining maintenance and support due to a scarcity of technical personnel with knowledge of older hardware and software languages. In addition, older systems are not designed to meet the expectations of the public (claimants and employers) for electronic and web-based services.

The limited availability of resources to modernize state UI IT infrastructure over the last two decades has left these systems at risk of failure to meet their essential mission. Based on the experience of the few states that have been able to develop new benefits or tax systems and those that are currently in development, the cost for a new customized system, on average, is about $40 to $50 million per benefit or tax system. Most states are in need of a new benefit or tax system or both. The Employment and Training Administration's (ETA) budget estimates show that the cost of funding individual customized state systems for every state that needs them, even if costs were spread over multiple years, is unaffordable in the current budget environment and that states must seek collaborative solutions to address the challenge. It is also important to note that the cost of maintaining IT systems has grown substantially and states are spending a much greater percentage of their UI administrative grants on IT infrastructure, which cuts into their ability to fund staff to carry out mission critical functions.

To address this critical program challenge, in FY 2009, ETA began providing funds to state consortia to modernize their UI IT systems as a strategy to reduce cost and accelerate the replacement of the outdated UI benefit and tax systems.   The consortia strategy promotes the following principles:

- Development of a core system for multiple states that is only customized as needed for individual states to accommodate state laws and that can be maintained and improved jointly, thus reducing costs;
- Limited use of proprietary products and use of open software products where feasible to enable ease of transfer of the system architecture and code base to other states;
- Leveraging all of the products developed by existing consortia for other individual states or other consortia of states moving forward; and

- Positioning the consortia that complete their projects to on-board additional states or to enable the consortia to transfer their code to other states or consortia.

ETA continues to work with states to improve UI program performance and modernize outdated IT infrastructures. Following the initial investment in FY 2009, ETA funded SBRs for state consortia to modernize their UI tax and benefit systems in FY 2011 (UIPL No. 26-11), FY 2012 (UIPL No. 18-12), FY 2013 (UIPL No. 24-13), FY 2014 (UIPL No. 13-14), FY 2015 (UIPL No. 16-15), and FY 2016 (UIPL No. 19-16). As a condition of funding eligibility, those opportunities required states to implement specific strategies in order to qualify for the additional consortium funding.

4. **<u>Structure of Funding Opportunity</u>.** In recent years, some funds appropriated for state administration have remained available due to lower-than-projected workloads. These "unearned" above-base state UI administration funds were available at the end of the fiscal year for ETA to offer states supplemental funding opportunities for improved operations. This supplemental funding enabled states to implement many of the strategic priorities contained in ETA's integrity strategic plan and to support modernization of state UI systems. Specifically, this funding has led to widespread state adoption of strategies such as cross-matching with the National Directory of New Hires (NDNH) for detecting UI claimants who have returned to work, use of the Treasury Offset Program (TOP) for the recovery of fraud and certain non-fraud overpayments, and adopting the State Information Data Exchange System (SIDES) for timely and accurate exchange of information required from employers to make benefit eligibility determinations.

For FY 2017, it is still not certain whether "unearned" above-base state UI administration funding will become available. As a result, ETA is unable to offer SBR funding opportunities for improved operations. In the event that some amount of "unearned" above-base funding remains available at the end of the fiscal year, ETA will use the limited funds remaining to augment base funding for states. ETA continues to strongly encourage all states to prioritize the use of the above-base funding to support for improved operations through the prevention and detection of UI improper benefit payments, and efforts to enhance state performance.

We are pleased to announce, however, that the enacted FY 2017 appropriation included $50 million in supplemental funding specifically for continued support of state consortia efforts to modernize UI tax and benefit systems, including compliance with the requirements of 26 U.S.C. 6103(l)(10)(B). See the Report for the Departments of Labor, Health and Human Services, and Education, and Related Agencies, accompanying the Consolidated Appropriations Act of 2017, Public Law No. 115-31 (May 5, 2017) available at https://rules.house.gov/sites/republicans.rules.house.gov/files/115/OMNI/DIVISION%20H-%20LABORHHS%20SOM%20OCR%20FY17.pdf.

Section 6 of this UIPL describes the SIDES requirements for applicants and how states are able to satisfy these requirements that are a condition of eligibility. To receive any funding through this solicitation, a states must attest to the status of SIDES implementation and fully implement and begin using SIDES Web Services and SIDES E-Response (see Attachment A).

Section 5 of this UIPL describes the types of consortium funding opportunities for UI IT modernization projects that are available to states for FY 2017. State requests must include a realistic timeline with milestones and goals for the project(s) it commits to implement.

By accepting these supplemental funds, a state agrees to satisfy the commitment(s) made in its application. States' 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 7 of this UIPL.

5. **Consortium Projects.** State consortia planning to submit a proposal must comply with the requirements provided in this section and the SIDES requirements established in Section 6 of this UIPL. 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).

   States interested in forming a consortium or on-boarding to a consortium are strongly encouraged to consult with the UI Information Technology Support Center (ITSC) operated by the National Association of State Workforce Agencies (NASWA), and to review the UI Information Technology Modernization Guide and other information provided on the UI ITSC website at http://itsc.org/Pages/default.aspx.

   The purposes for which a consortium of states may submit a proposal are outlined below:

   - An existing consortium deploying cloud solutions that need to interface with the Internal Revenue Service (IRS) and the Social Security Administration, whether previously funded by ETA or using state funds, may request funds to support compliance with the requirements of 26 U.S.C. 6103(l)(10)(B) and to cover the costs of meeting security requirements.

   - An existing consortium, whether funded by ETA or using state funds, with completed business requirements for a UI benefits and/or tax system may submit a proposal for the design, development, and implementation activities needed to on-board an additional state to the existing UI benefits and/or tax system consortium if a fit-gap analysis has previously been conducted and completed and the states are prepared to move forward with development to on-board the new state.

   - An existing consortium, whether funded by ETA or using state funds, 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 in order 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.

- A new consortium of states may submit a proposal to adapt a mature code base from another consortium or state into a modernized UI benefits and/or tax system. The consortium must use open source components to the extent feasible and the components must be transferable and available to be shared by multiple SWAs without the need for significant customization.

- In very limited circumstances, such as unanticipated costs for additional subject matter experts (SMEs) 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.

- An existing consortium, whether funded by ETA or using state funds, may request funds for the development of a subsystem, module, or component of a UI benefits and/or tax system. In recent years, a few individual states have used innovative approaches to cost-effectively modernize their IT systems. These approaches include modernization of specific subsystems, modules, or components that support critical business functions and integrate them within their existing system. For the consortium system, a subsystem, module, or component that is proposed for development must use open source components to the extent feasible, be transferable, and be available to be shared by multiple states without the need for significant customization, and/or be hosted in one state, which will provide automated services to other states.

- To promote future cost efficiencies across states and to enable greater leveraging of existing UI modernization investments, a consortium of states may request funds to develop a model for the shared management of maintenance and operational costs. This model is intended to promote cost efficiencies across states and enable greater leveraging of existing UI modernization investments. The model may also include shared state approaches on consortium system maintenance, ongoing modernization, and adoption of new technologies; a shared approach/process for procurement to support the consortium's system; and coordination among consortium states to enable development. The model is to be developed as a replicable model that may be used by other consortia. Examples of possible consortia applicants for this funding include, but are not limited to, a group of more than one consortium of states, or a consortium of states and an individual state or states. It is expected that the members of a consortium applying for funds in this category will share a common operational element, such as a common vendor, a common technology approach, or platform, that poses similar maintenance, operations, and upgrade challenges. Funding cannot be used to support actual maintenance costs. Examples of what funds in this category can be used to support include securing technology expertise (system/organizational design experts/consultants), procurement expertise, and coordination among consortium states to enable development of the model. Funding for development costs may be considered in future funding opportunities based on the model created.

Consortia are reminded that the project planned by a state consortium must specifically address the following requirements if applicable to their specific SBR proposal:

- 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 20 CFR Part 619, the final rule for Data Exchange Standardization that designates data exchange standards for UI administration, with further guidance in TEN No. 34-13;
- 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 program; and
- Use of the UI IT Modernization pre-implementation checklist set out in TEN No. 28-14 as a planning tool, and repeat the checklist review for these critical elements when the consortium is within at least six months of "going live" with a newly modernized UI IT system.

6. **SIDES Requirements.** States must meet each of the SIDES requirements identified in this section to be eligible for consortium funding through this solicitation. For each strategy, states must either commit to implementation and recommend a timeline for completion, or attest that the strategy is already complete and provide the completion date.

- **Full Implementation and Use of SIDES.** All states must commit to fully implement and use both SIDES Web Services and SIDES E-Response in order to improve the timeliness and quality of separation information needed to adjudicate non-monetary determinations. States must attest to the status of SIDES implementation as part of the application for funding (see Attachment A).

  SIDES is a web-based system that allows electronic transmission of UI information requests from SWAs to employers and Third Party Administrators (TPAs), as well as transmission of responses containing the requested information back to the requesting agencies. SIDES provides for two methods by which employers can receive and respond to information requests from states:

  - SIDES Web Services is a computer-to-computer system best suited for employers and TPAs that typically deal with a large volume of UI information requests.

    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 NASWA ITSC SIDES Team manages the day-to-day operations and maintenance of SIDES.

ETA interprets full implementation of SIDES Web Services and SIDES E-Response as the state collaborating with the NASWA ITSC SIDES Team and completing all the steps necessary in order to establish SIDES separation information data exchanges with employers and TPAs on a continuous basis. Full implementation includes the following:

▪ **Use of SIDES Web Services as the only mechanism to communicate all separation requests with employers and TPAs with whom the state is currently exchanging information.** As states adopt SIDES Web Services, continuing to operate a parallel or dual system, or using some other method for obtaining job separation information, diminishes the efficiency of the information gathering process and requires state staff, employers, and TPAs to be trained in and to use multiple methods for data exchange. The exclusive use of SIDES Web Services for receiving all requests and responses to other participants is required by the SIDES Agreement to Participate.[1]

   ETA knows that a number of states operate centralized business communication hubs for a variety of business interactions across multiple state agencies. States with centralized employer/business communication hubs should contact NASWA ITSC SIDES team for technical assistance to support using SIDES in a centralized environment using a single-sign-on option.

▪ **Implementation of SIDES Web Services with all employers and TPAs that currently participate in SIDES in that state, and beginning the SIDES data exchange with newly participating employers and TPAs within 12 months after those parties have completed testing/certification with the NASWA ITSC SIDES Team.** If a particular employer or TPA is the cause of the delay in implementing the exchange, the implementation date will be based on a negotiated schedule with the NASWA ITSC SIDES Team.

▪ **Expansion of the overall state usage of SIDES (Web Services and E-Response) with a goal for states to receive employer responses through SIDES Web Services and SIDES E-Response for at least 50 percent of all UI initial claims[2] processed and, separately, a goal of at least 35 percent of all UI initial claims processed through the SIDES E-Response.** To promote employer participation, states are strongly encouraged to use SIDES E-Response as the default method by which employers respond to separation information requests. By making SIDES E-Response the default method, employers are automatically directed to SIDES E-Response with an opt-out to decline its use. States that have employed the default method approach have dramatically increased employer uptake and use of SIDES.

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[1] For states to participate in SIDES, the NASWA ITSC SIDES Team requires a signed "Agreement to Participate."
[2] The total number of new, initial, and additional claims as reported in the ETA 5159 monthly report.

- **Development and implementation of a sustained outreach plan to increase employer participation in SIDES.** SIDES offers significant efficiencies to employers and their TPAs, especially those that operate in more than one state. Providing standard formats for employer use for information exchanges with state agencies eliminates the need for inefficient manual processes and the need to develop systems to handle each state's forms and processes separately. States also should use at least one SIDES messaging tool (either one included in the SIDES marketing toolkit as outlined in UIPL No. 17-12 or another state developed messaging tool) to ensure that employers are fully aware of the benefits that SIDES offers.

- **Commitment to work with the NASWA ITSC SIDES Team on a mutually agreeable schedule to accomplish software enhancements and changes within a specific timeframe.** This mutually agreed schedule may include timeframes for testing of the business functionality and security features, and scheduling of the changes/enhancements. SIDES technical staff is available to assist states during this process. The NASWA ITSC SIDES Team provides states with at least six months' notice of major software changes/upgrades and works with states to determine a feasible and mutually agreeable implementation date.

7. **Quarterly Reporting Requirements.** Each state recipient of SBR funds must submit a narrative Quarterly Progress Report (ETA 9178) 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. Please refer to UIPL No. 19-15, Change 1 for additional guidance on the submission of quarterly progress reports to meet the reporting and record keeping requirements of these grants.

8. **Application and Award of Supplemental Funds.** To apply for supplemental funds, the lead state in a consortium will be responsible for submitting a joint application on behalf of the participating states using the 2017 SBR Application provided in Attachment A. 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. Only the lead state must provide a completed Attachment A application. Partner states must only submit a separate SF-424 and SF-424A, as well as a budget narrative using the instructions in Attachment C.

The proposal must clearly indicate total project costs, including a breakdown of individual state costs and how much funding, if any, the state(s) are contributing to the project. 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 FY 2017 Appropriation provides the authority for states to provide subgrants to other states and non-state entities for activities in accordance with the purpose and conditions of the grant.

Additionally, proposals must include a copy of the signed agreement(s) with 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.

An application package should contain the following:
- Form provided in Attachment A. An electronic version of Attachment A will be made available to states through the ETA regional offices;
- Form SF-424 (OMB No. 4040-0004) 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. Please refer to Attachment B for additional instructions on completing the SF-424 and SF-424A;
- 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 C for instructions on completing the budget narrative;
- A copy of the signed agreement(s) with all participating states; and
- Indirect Costs: Applicant states that include indirect costs in the budget, must 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% 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% de minimis rate. The following link contains information regarding the NICRA at DOL: http://www.dol.gov/oasam/boc/dcd/index.htm.

Applications that do not follow the format prescribed in this section will be judged to be non-responsive and will not be considered for funding. ETA also 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.

The one-time funds available for support of state consortia to modernize UI tax and benefit systems **must be obligated by states by September 30, 2022 and liquidated by September 30, 2023**. Funds obligated for state staff and services related to automation acquisitions/projects such as SMEs, application developers, or project management oversight must be obligated by September 30, 2022, and liquidated within 90 days thereafter. Funding for state staff cannot be obligated for use at a future date and the obligation may only occur at the time the staff performs services on the project.

When projects have been approved, a Letter of Award will be issued to the state(s) listing the proposal that is being funded by the SBR. It will include the funding level 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 as well as the Grant Terms and Conditions. The standard Federal award terms and conditions for FY 2017 ETA grants are available here: https://www.doleta.gov/grants/pdf/17StandTermsConds.pdf.

9. **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 ETA regional office for approval, with a copy to the National Office if the amount to be moved is equal to or exceeds 10 percent of the total grant award received under this UIPL. 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 SBR grant to reflect the requested changes. **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 with a copy to the appropriate ETA 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 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 7 of this UIPL. A state's failure to meet these performance requirements could result in questioned costs that must be repaid.

10. **OMB Information Collection.** OMB Information Collection No 1225-0086, expires on May 31, 2019. According to the Paperwork Reduction Act of 1995, no person is 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, D.C. 20210. Comments may also be emailed to 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.

11. **Action Requested.** State Administrators are requested to:

   a) Review the funding opportunity 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 ETA regional office to develop an SBR that will best serve the needs of the state. An electronic version of Attachment A will be made available to states through the ETA regional offices; and
   d) Submit the SBR application by e-mail to OUI.IntegritySBRs@dol.gov by the close of business on **October 23, 2017,** with an electronic copy provided to the appropriate ETA

regional office. Late applications will not be accepted. **The subject line of the e-mail should include the name of the state and the title "Consortium SBR 2017**."

12. <u>**Inquiries**</u>. Questions should be directed to the appropriate ETA regional office.

13. <u>**Attachments**</u>.

    Attachment A: 2017 Supplemental Budget Request (SBR) Application
    Attachment B: Additional Instructions to Complete the SF-424 and SF-424A
    Attachment C: General Instructions for the Completion of a Budget Information Narrative

2017 Supplemental Budget Request (SBR) 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 SBR along with a completed 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 the format prescribed in this section will be judged as non-responsive and will not be considered for funding.

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

SIDES Attestation	
SIDES Web Services and SIDES E-Response implemented	**Yes / No with target date**
State is using SIDES Web Services to Exchange with all available employers and TPAs	**Yes / No with target date within 12 months of this UIPL's publication date.[3]**
State is implementing strategies to expand overall state usage of SIDES Web Services and SIDES E-Response[4] **(Yes / No with projected target date for achieving the SIDES expansion goals of 50% overall and 35% for E-Response)**	

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:**

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[3] If a particular employer or TPA is the cause for the delay for implementing the exchange, the date will be based on a negotiated schedule with the NASWA SIDES Team.

[4] States meet SIDES expansion goals by receiving employer responses for at least 50 percent of all UI initial claims and at least 35 percent of all UI initial claims processed through the SIDES E-Response.

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:

Measurable Improvements Expected in UI Operations:

SECTION INSTRUCTIONS

SIDES Attestation: Provide an attestation that the state has completed implementation of SIDES Web Services and SIDES E-Response. If implementation is ongoing, provide the target completion date for that component. Indicate if the state is currently matching with all available employers and TPAs, and if not, attest that the state will be matching with all available employers and TPSs within 12 months.

Name of Project: Provide the name of the proposed UI IT modernization project to be carried out by a consortium. 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.

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 UI IT modernization project for which the consortium is seeking funding and explain how the project will improve UI program operations for the participating states.

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 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 (30 percent of total score): The strategic design of the consortium UI IT modernization project should provide evidence of a thorough analysis of current operations and show that the design will meet the needs of the states in the consortium. This section must include an explanation as to how the proposed system will improve UI operations and accomplish the goals of the consortium.

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.

Additional Guidance 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 10/31/2019, Office of Management and Budget (OMB) Control No. 4040-0004 (Grants.gov). http://www.grants.gov/web/grants/forms/sf-424-family.html
- 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
  - 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.action
  - 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: include the accurate Catalog of Federal Domestic Assistance Number for the applicable Funding Opportunity; Example: 17.225 for Unemployment Insurance
- Section # 12, Funding Opportunity Number and Title: Input the appropriate funding opportunity number and Title; Example: UIPL No. 1-17 – Health Coverage Tax Credit; TEGL 17-15 – WIOA Adult, Dislocated Worker and Youth Activities Program Allotments

- Section # 13, Competition Identification Number: include the advisory reference number or appropriate funding opportunity number
- 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 the title of the Project
- Section # 16, Congressional Districts of:
    - o a. Applicant: Input the Congressional District of your home office. For lookup, use link at www.house.gov with Zipcode + 4
    - o b. Program/Project: Input the Congressional District where the project work is performed. If it's 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
    - o a. Start Date: Input a valid start date for the project
    - o b. End Date: Input a valid end date for the project
- Section # 18, Estimated Funding ($): Input the estimated funding requested. Ensure that the funding requested matches the TOTALS in Section B – Budget Categories of the SF424A
- Complete Section #s 19 – 20 as per instructions in Form SF-424
- Section # 21, Authorized Representative: Input complete information for your authorized signatory including contact information such as telephone number and email address. Remember to get the SF-424 signed and dated by the Authorized representative. If your Authorized Representative has changed from your previous application submission for this program, please include a letter from a higher level leadership authorizing the new signatory for the application submission

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 01/31/2019, OMB Control No. 4040-0006 http://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% 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% de minimis rate. The following link contains information regarding the NICRA at DOL: http://www.dol.gov/oasam/boc/dcd/index.htm

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.