

U. S. Department of Labor Employment and Training Administration Washington, D.C. 20210	CLASSIFICATION UI
	CORRESPONDENCE SYMBOL TEUMI
	DATE December 3, 1992

DIRECTIVE : UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 9-93

TO: : ALL STATE EMPLOYMENT SECURITY AGENCIES

FROM : *Barbara Ann Farmer*
 BARBARA ANN FARMER
 Administrator
 for Regional Management

SUBJECT : Agreements between the State Employment Security Agencies (SESA) and the Department Of Health and Human Services' Office of Child Support Enforcement (OCSE) Implementing the Requirements of Section 303(h)(1) of the Social Security Act (SSA)

1. Purpose. To provide notification to all SESAs of OCSE's desire to amend the above referenced agreements and to advise all SESAs of the Employment and Training Administration (ETA) agreement that certain issues be addressed during the amendment process, subject to negotiation with the individual SESAs.

2. References. Sections 303(h) and 453(e)(3), SSA; UIPL No. 11-89, dated January 5, 1989; UIPL No. 19-89, dated February 24, 1989; and UIPL No. 7-90, dated November 17, 1990.

3. Background. The above referenced agreements provide the Secretary of Health and Human Services with prompt access to any wage and unemployment compensation claims information for purposes of child support enforcement under Title IV, SSA. Since the implementation of Section 303(h)(1), SSA, under these agreements between the SESAs and OCSE which were, for the most part, negotiated in calendar years 1989 and 1990, unemployment compensation claims information and wage records have proved to be a valuable source of information in these cases.

There is a new comprehensive child support enforcement initiative, Project KIDS. This initiative places greater emphasis on locating absent parents and/or establishing paternity in child support enforcement cases. Therefore, due to the success of the FPLS/SESA crossmatch, OCSE would like to increase the volume of records and the frequency of matches with the SESAs.

RESCISSIONS None	EXPIRATION DATE December 31, 1993
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OCSE has decided to discontinue the use of Martin Marietta Information Systems Group to facilitate the data exchange effective with the expiration of its current contract on December 31, 1992. Effective for matches after January 1, 1993, the functions necessary to the cross-match will be handled by the Federal Parent Locator Service.

To facilitate the change in the SESA/OCSE agreements, the Department of Labor and the Department of Health and Human Services have agreed to eliminate the clause in the Federal Memorandum of Understanding which makes reference to OCSE, through an agent State, securing the services of a contractor to facilitate the exchange of records.

4. Amending SESA/OCSE Agreements. ETA has discussed with OCSE the modifications it proposes and has agreed that the following issues should be addressed in the negotiations with each SESA:

- a. Elimination of any reference to a contractor facilitating the exchange of data between OCSE and the SESA.

A new provision which provides the specifics of how the data will be transmitted between OCSE and the SESAs should be added. This new provision should provide for a change in the data format, including the necessary implementation requirements, at a later date without further modification to the agreement. (For the time being, records will continue to be transmitted in the President's Council on Integrity and Efficiency (PCIE) format. However, OCSE has indicated that it may wish to change the format at a later date.)

- b. Elimination of the reference to quarterly crossmatches.

To the extent possible, OCSE would like to move to monthly matches. The specific frequency of the matches will be negotiated between the OCSE and each SESA. The language should allow for future modifications, upon mutual consent, without formally modifying the agreement.

- c. Increase in the volume of records for each crossmatch.

The specific volume of records to be matched per crossmatch will be negotiated between the OCSE and each SESA. The language should allow for future modifications, upon mutual consent, without formally modifying the agreement.

Eventually, OCSE plans to move to a more targeted records distribution approach which focuses on the larger States and those with historically higher "hit" rates. Thus, the volume of records OCSE submits for matching may vary from State to State, but will not exceed the individual SESA maximum.

We encourage each SESA to provide for matching the maximum number of records per crossmatch that is within its capability to eliminate future needs for adjusting this clause. SESAs are reminded that Section 303(h)(1), SSA, provides OCSE with access to wage and unemployment claims information maintained by or for the SESA and SESAs have no authority to restrict this access except to the extent that the requested access exceeds the SESAs' capacity to handle.

OCSE will be contacting all SESAs shortly to initiate the necessary discussions and has drafted a "model" addendum (See Attachment A) to facilitate amending the agreements. OCSE has an ambitious schedule for renegotiating the agreements, with the goal of having all agreements amended by December 31, 1992. To the extent that States are able to comply with this schedule, they will be expected to conduct a crossmatch in January 1993.

Under separate cover, OCSE will be asking the SESAs to project the costs they will incur in conducting the crossmatches for 1993. The cost projections must provide for the full cost of all activities associated with providing wage and unemployment claims information to the OCSE. SESAs are again cautioned that Title III Grants must not be used for any administrative cost appropriately chargeable to the OCSE. In determining whether an administrative cost is appropriately chargeable to the OCSE, the cost principles of OMB Circular A-87, "Cost Principles for State and Local Governments," apply.

5. Action Required. State Administrators are requested to provide a copy of this program letter to the appropriate staff and ensure that discussions with OCSE proceed with a view towards execution of the Addendum as promptly as is feasible.

6. Inquiries. Any questions should be addressed to the appropriate Regional Office.

7. Attachment. Suggested Model Addendum.