

U. S. Department of Labor Employment and Training Administration Washington, D.C. 20210	CLASSIFICATION Methods of Administration
	CORRESPONDENCE SYMBOL OWS
	DATE March 11, 2009

DIRECTIVE: UNEMPLOYMENT INSURANCE PROGRAM LETTER No. 18-09

TO: STATE WORKFORCE AGENCIES

FROM: DOUGLAS F. SMALL /s/
Deputy Assistant Secretary

SUBJECT: Application of State-Wide Personnel Actions, including Hiring Freezes, to the Unemployment Insurance Program

1. Purpose. To advise states that Unemployment Insurance Program Letter (UIPL) 09-98 expresses the Department's position concerning the application of state-wide personnel actions such as hiring freezes, shutdowns, and furloughs to the unemployment insurance (UI) program.
2. References. Section 303(a)(1) of the Social Security Act (SSA) and UIPL 09-98, issued on January 12, 1998 (63 Fed. Reg. 6774, 6779 (February 10, 1998)).
3. Background. During economic downturns, state revenues decline while demands for UI services increase. As a result of declines in state revenues, states face budget constraints and some may impose hiring freezes or other personnel actions such as furloughs on a state-wide basis. When applied to the UI program, these actions will likely have a detrimental effect on unemployed workers and businesses and result in decreased performance against Federal standards.

UIPL 09-98 expresses the Department's interpretation of the Federal UI law requirements as applied to these state-wide personnel actions. In brief, UIPL 09-98 provides that any state-wide personnel action that does not take into account the needs of the UI program is not a "method of administration" for assuring the proper and prompt delivery of UI services consistent with Section 303(a)(1), SSA. If the UI program is not exempted from such state-wide actions, the UIPL requires states to demonstrate to the Department that it has adequately addressed the UI program's needs.

Rescissions: None	Expiration Date: Continuing
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A copy of UIPL 09-98 is attached.

4. Action. States are to address state-wide personnel actions applied to the UI program consistent with UIPL 09-98.
5. Inquiries. Inquiries should be directed to your Regional Office.
6. Attachment. UIPL 09-98.