

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION UI/EUC
	CORRESPONDENCE SYMBOL DFAS/OUI
	DATE March 29, 2013

ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 15-13

TO: STATE WORKFORCE AGENCIES

FROM: JANE OATES /s/
Assistant Secretary

SUBJECT: Unemployment Insurance (UI) Supplemental Funding Opportunity to Fund Costs Attributable to the Implementation of the Sequestration Impacts on the Emergency Unemployment Compensation (EUC) Program

1. **Purpose.** To notify state workforce agencies of the availability of funds through the Supplemental Budget Request (SBR) process for costs related to the implementation of sequestration requirements impacting the EUC program.
2. **References.**
 - Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA) (Pub. L. 99-177);
 - Budget Control Act of 2011 (BCA) (Pub. L. 112-25);
 - Middle Class Tax Relief and Job Creation Act of 2012 (Pub. L. 112-96);
 - American Taxpayer Relief Act of 2012 (ATRA) (Pub. L. 112-240); and
 - Unemployment Insurance Program Letter (UIPL) No. 13-13, dated March 8, 2013.
3. **Background.** As noted in UIPL No. 13-13 (p. 5), funds for the EUC program, including EUC administration, are subject to a 5.1 percent reduction under the BBEDCA as a mandatory spending program. In accordance with section 8 of UIPL 13-13, an amount of \$40,000 (which has been calculated to take into account the required reductions) has been provided to each state workforce agency for EUC administration to support the implementation of changes required by sequestration. Because of the complexity of sequestration and the variance among states in resource requirements for implementation, the U.S. Department of Labor (Department) is announcing an opportunity for states to request, through the SBR process, additional funding above the \$40,000 that has already been made available.
4. **Additional Sequestration Implementation Funding.** Additional EUC administrative funding, above the \$40,000 already provided, is available to cover costs for: programming of reductions to EUC entitlement, benefit redeterminations, Web site and Interactive Voice

RESCISSIONS None	EXPIRATION DATE September 30, 2013
----------------------------	--

Response systems updating and claimant notification of benefit amount changes including postage. Funds are also available for staff training, and other activities related to the implementation of sequestration. States are encouraged to seek funds for all administrative activities associated with the implementation.

Costs attributable to any non-sequestration implementation activities may not be funded with the funds awarded under this solicitation.

5. **Application, Award, and Expenditure of Supplemental Funds.** States should submit proposals, including appropriate cost estimates to obtain adequate funding, for any sequestration-related activities in one SBR package. Unfortunately, these funds are subject to the 5.1 percent sequestration cut required for fiscal year (FY) 2013. The National Office will apply a 5.1 percent sequestration reduction to cost estimates submitted by states for the funded activities to arrive at the award to the state. Each activity will be considered a section of the state's SBR, and each activity will be evaluated individually. The SBR Outline (attached) will be used to evaluate the proposals. Each activity should be addressed succinctly providing the specific information requested. Due to the tight timeframe for developing and submitting SBRs, states are asked to provide only the information requested. Information such as an introductory narrative is not necessary. In addition, submission of the SF-424 (OMB No. 4040-0004) and SF-424A (OMB No. 4040-006) is being waived for the initial submission.

Upon SBR proposal approval, an award letter will be issued to each state listing all activities to be funded, and the total funding level for "sequestration implementation." The award letter will also identify the amount of the 5.1 percent reduction for sequestration. States must then submit an SF-424 and an SF-424A for the amount awarded for sequestration implementation.

It is expected that states will obligate and expend the funds quickly, given the immediate need to implement the changes required by sequestration. Any SBR funds not obligated by September 30, 2013, must be returned as they could not be used for their intended purpose, i.e., implementation of sequestration in FY 2013. Expenditures of these SBR funds must be reported on the Department's Employment and Training Administration Fiscal Report (ETA 9130) in the remarks section. States must establish time-charging codes that will allow for the accounting of appropriate costs.

6. **Project Management.** If, during the performance period, states wish to move funds among categories on the SF-424A and the amount to be moved exceeds 20 percent of either the "donating" or "receiving" category as initially funded, a new SF-424A, with a letter requesting the change to the Office of Unemployment Insurance Administrator, Gay M. Gilbert, must be submitted electronically with a copy to the appropriate Department of Labor Regional Office (RO). These documents will be forwarded to the Employment and Training Administration Grants Officer.

States may not elect to abandon a single activity that has been funded and move the funds to a different activity that has also been funded. If an approved activity is not undertaken by the

state, the funds for that activity must be returned to the Department.

7. **Action Requested.** State Administrators are asked to:
 - a) Inform appropriate staff of this funding opportunity.
 - b) Determine activities for which the submission of SBRs would be appropriate.
 - c) Work with the appropriate RO to use their knowledge and technical expertise.
 - d) Submit SBRs to the National Office at OWS.SBR@dol.gov, by April 12, 2013, with a copy to the RO. The title line of the email should include the name of the state and the title *Sequestration Implementation SBR 2013*. An email response will be sent within 24 hours from the OWS SBR mailbox acknowledging receipt of the electronic document.
8. **Inquiries.** Inquiries should be directed to the appropriate RO.
9. **Attachment.** Supplemental Budget Request Outline