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| EMPLOYMENT AND TRAINING ADMINISTRATION<br>ADVISORY SYSTEM<br>U.S. DEPARTMENT OF LABOR<br>Washington, D.C. 20210 | <b>CLASSIFICATION</b><br>Unemployment Insurance |
|   | <b>CORRESPONDENCE SYMBOL</b><br>OWS/DFAS        |
|   | <b>DATE</b><br>June 15, 2009                    |

**ADVISORY:** UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 27-09

**TO:** STATE WORKFORCE AGENCIES

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

**SUBJECT:** Funding of Administrative Costs Associated with the Initiative to Enable More Unemployment Insurance Beneficiaries to Obtain Training

1. Purpose. To inform State Workforce Agencies (SWAs) of the opportunity to submit a supplemental budget request (SBR) for costs associated with implementing the initiative to enable more unemployment insurance (UI) beneficiaries to obtain training without affecting their benefit rights, and to notify beneficiaries of potential eligibility for Pell Grants and other student aid.
2. References. The Social Security Act (SSA); Training and Employment Guidance Letter (TEGL) No. 21-08; and Employment and Training (ET) Handbook No. 336.
3. Background. In an effort to enable more workers to develop skills while the economy recovers, the Department of Labor (Department) has encouraged SWAs to broaden the types of training and conditions under which education or training are considered “approved training” for purposes of the state’s UI law. The Department has encouraged state UI agencies to notify UI beneficiaries of their potential eligibility for Pell Grants and other student aid, provide them information about how to apply, and explain that they may continue to receive UI benefits while in training, contingent upon the state’s approval. Because the costs associated with informing claimants of their benefit rights and determining eligibility for UI (here, a UI training benefit) are necessary for the proper and efficient administration of a state’s UI law, they may be charged to the UI grant consistent with Section 303(a)(8), SSA.

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| <b>RESCISSIONS</b><br>None | <b>EXPIRATION DATE</b><br>June 15, 2010 |
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4. Implementation SBRs. SWAs are offered the opportunity to submit SBRs (suggested template attached) for the UI administrative costs resulting from the implementation of this initiative. SBRs should be limited to one-time costs, listed below, that are attributable to implementation of this initiative.

Permissible Implementation Costs

1. Computer programming
2. Notices to beneficiaries
3. Overhead related only to the above
4. Training
5. Postage

The estimated cost basis for all items should be included in the SBR. Calculations for costs of SWA staff and contractors should be shown in accordance with the SBR instructions in ET Handbook No. 336.

5. Ongoing Administrative Costs. Ongoing administrative costs related to this initiative should be reported in the comments section of the quarterly UI-3 report, identified as such, and broken out by the following activities: postage, notification letters, training approval application reviews, programming, overhead, and other.
6. Action Requested. State Administrators are requested to:
  - (a) Distribute this directive to appropriate staff, and
  - (b) Submit the SBR and required SF424 and SF424A documents by the close of business June 26, 2009, via electronic submission to the National Office at [ows.sbr@dol.gov](mailto:ows.sbr@dol.gov), with a copy to the appropriate Regional Office.
7. Inquiries. Direct questions to the appropriate Regional Office.
8. Attachment. Training Implementation SBR Template.

