

|   |                              |
|---|------------------------------|
| EMPLOYMENT AND TRAINING ADMINISTRATION<br>ADVISORY SYSTEM<br>U.S. DEPARTMENT OF LABOR<br>Washington, D.C. 20210 | <b>CLASSIFICATION</b>        |
|   | UI                           |
|   | <b>CORRESPONDENCE SYMBOL</b> |
|   | OUI/DFAS                     |
|   | <b>DATE</b>                  |
|   | June 7, 2013                 |

**ADVISORY:** UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 19-13

**TO:** STATE WORKFORCE AGENCIES

**FROM:** GERRI FIALA /s/  
Acting Assistant Secretary

**SUBJECT:** Guidelines for Fiscal Year (FY) 2013 State Agency Unemployment Insurance (UI) Resource Allocations, Supplemental Budget Requests (SBRs), and Above-Base Funding

1. **Purpose.** To provide information to states about FY 2013 UI State Administration base resource allocations, general guidelines for resource planning, above-base funding, and SBRs.

2. **References.**

- Unemployment Insurance Program Letter (UIPL) No. 26-12, *FY 2013 State Workforce Agency Unemployment Insurance Resource Planning Targets and Guidelines*;
- UIPL No. 24-12, *Additional Planning Guidance for the FY 2013 Unemployment Insurance State Quality Service Plan (SQSP)*;
- UIPL No. 13-13, *Implementation of Sequestration under the Budget Control Act of 2011 for the Unemployment Insurance Programs for Fiscal Year 2013*; and
- Employment and Training (ET) Handbook No. 336, 18<sup>th</sup> Edition, Change 2 (December 2009), *Unemployment Insurance State Quality Service Plan (SQSP), Planning and Reporting Guidelines*.

3. **Appropriation.** The FY 2013 consolidated spending bill that included the appropriations for State UI operations (Public Law (Pub. L.) 113-6) was enacted on March 26, 2013. The table below summarizes the average weekly insured unemployment (AWIU) levels and dollar amounts corresponding to the FY 2013 appropriations, across-the-board (ATB) and sequestration reductions, and final, post-sequestration FY 2013 appropriations for UI-related activities in Pub. L. 113-6.

|                    |                        |
|--------------------|------------------------|
| <b>RESCISSIONS</b> | <b>EXPIRATION DATE</b> |
| None               | September 30, 2015     |

Summary of FY 2013 UI Budget Authority

|                          | <b>Appropriation</b>   | <b>0.2% ATB Reduction</b> | <b>Sequestration Reduction</b> | <b>Post-Sequestration Appropriation</b> |
|--------------------------|------------------------|---------------------------|--------------------------------|---|
| AWIU Contingency Trigger | 4,585,000              | N/A                       | N/A                            | N/A                                     |
| State Administration     | \$3,105,142,000        | (\$6,210,284)             | (\$159,226,565)                | <b>\$2,939,705,151</b>                  |
| REAs / Integrity         | \$59,905,072           | (\$119,810)               | (\$3,012,655)                  | <b>\$56,772,607</b>                     |
| National Activities      | \$11,265,668           | (\$22,531)                | (\$566,731)                    | <b>\$10,676,406</b>                     |
| <b>Total</b>             | <b>\$3,176,312,740</b> | <b>(\$6,352,625)</b>      | <b>(\$162,805,951)</b>         | <b>\$3,007,154,164</b>                  |

The appropriation allows these funds to be available for obligation by the states through December 31, 2013, except that funds used for automation acquisitions, competitive grants awarded to states for improved operations, reemployment and eligibility assessments (REAs), or improper payment reviews shall be available for obligation by the states through September 30, 2015.

**4. Final Base Allocations.** The final FY 2013 base allocations are identical to the planning targets. The attached table shows the total full-year base allocation to each state in FY 2013.

**5. Above-Base Administration.**

- a. Above-Base and Contingency Funding. The FY 2013 appropriation is projected to provide adequate resources to allow for 100 percent reimbursement of above-base administrative expenses. Workloads have been at levels well below the AWIU trigger value and estimates do not indicate a rise in those levels sufficient to require contingency funding.
- b. Emergency Unemployment Compensation (EUC). EUC administrative costs will continue to be based on quarterly EUC workloads and funded through the UI-3 process. EUC administrative funding is subject to sequestration as described in UIPL No. 13-13.
- c. Support. The overhead for above-base State UI, Trade Adjustment Assistance (TAA), Alternative Trade Adjustment Assistance, and Reemployment Trade Adjustment Assistance administration remains at 19 percent.
- d. Postage. Above-base funding for postage will be issued to states on a quarterly basis using the above-base weeks claimed reported on the UI-3 reports. For any quarter, above-base weeks claimed will be those in excess of 25 percent of the FY 2013 base

weeks claimed issued in the planning targets. The above-base postage will be paid at 26.3 cents per above-base week claimed.

- e. Trade Readjustment Allowance (TRA) Redeterminations. Currently, there are no court decisions on the TRA program that would require the states to make monetary redeterminations. If one occurs, states should follow the UI-3 reporting instructions in ET Handbook No. 336, 18<sup>th</sup> Edition.
- 6. Supplemental Budget Requests (SBRs).** The SQSP Handbook contains SBR instructions and procedures that remain in place each year unless states are instructed otherwise. States may submit a Standard Form (SF) 424 (OMB Approval No. 4040-0004) and SF 424A (OMB Approval No. 0348-0444) for additional funds for certain types of administrative costs (listed below) that are not funded within the states' base and above-base grants.
- a. Special Projects. Proposals from states for Reemployment and Eligibility Assessment (REA) grants will be solicited. If funds are available, states may also have the opportunity to apply for funds for other purposes that improve integrity, efficiency and/or IT security. Specific instructions will be provided to states in separate advisories.
  - b. Travel. Travel dollars are available for Benefit Accuracy Measurement Peer Reviews, Benefits Timeliness and Quality Nonmonetary Determinations Tripartite Reviews, Appeals Reviews, and Tax Performance System reviews. States should provide travel estimates and reimbursement requests to the Regional Office rather than submitting an SF 424 for these travel dollars.
- 7. State Flexibility.** All State UI administrative grant funds must be used in accordance with Section 303(a)(8) of the Social Security Act and the cost principles contained in OMB Circular No. A-87 (Revised), 2 CFR part 225. Beyond this, states have discretion to expend these grant funds as they deem appropriate and necessary to manage and operate their UI programs to meet established goals and requirements. The only caveat is that states must use the annual allocated staff-year level for claims activities for above-base reporting purposes. This ensures that states do not earn more above-base resources than they otherwise would have been entitled to earn. This flexibility does not pertain to funding issued for special projects or supplemental budget requests: funding for these purposes must be spent in accordance with the spending plans approved for these respective projects.
- 8. Action Requested.** State Administrators are requested to provide copies of this information to the appropriate staff.
- 9. Inquiries.** Questions should be addressed to the appropriate Regional Office.
- 10. Attachment.** FY 2013 State UI Administration – Base Allocation Summary