

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION Unemployment Insurance
	CORRESPONDENCE SYMBOL OUI
	DATE February 25, 2010

ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 14-10

TO: STATE WORKFORCE AGENCIES

FROM: JANE OATES /s/
Assistant Secretary

SUBJECT: Guidelines for Fiscal Year (FY) 2010 State Agency Unemployment Insurance (UI) Resource Allocations, Supplemental Budget Requests (SBRs), and Above-Base Funding

- Purpose.** To provide information for FY 2010 UI State Administration base resource allocations, general guidelines for resource planning, above-base funding, and SBRs.
- References.** ET Handbook No. 336, 18th Edition (December 2009), Unemployment Insurance State Quality Service Plan (SQSP), Planning and Reporting Guidelines; Unemployment Insurance Program Letter (UIPL) No. 29-09, Fiscal Year (FY) 2010 State Workforce Agency Unemployment Insurance Resource Planning Targets and Guidelines; and UIPL No. 25-09, Call Memo for the Fiscal Year (FY) 2010 Unemployment Insurance State Quality Service Plan (SQSP).
- Appropriation.** The FY 2010 consolidated spending bill that included the appropriations for State UI operations (Public Law 111-117) was enacted on December 16, 2009. The table below shows the average weekly insured unemployment (AWIU) levels and the dollar amounts of the President's Budget request and the FY 2010 appropriation. The President's Budget request was fully appropriated.

	Budget Request	Appropriation	Difference
AWIU Contingency Trigger Level	5,059,000	5,059,000	0
State Administration	\$3,195,645,000	\$3,195,645,000	\$0
REAs	\$50,000,000	\$50,000,000	\$0
National Activities	\$11,310,000	\$11,310,000	\$0
Total	\$3,256,955,000	\$3,256,955,000	\$0

- Final Base Allocations.** The final FY 2010 base allocations are identical to the planning targets.

RESCISSIONS None	EXPIRATION DATE February 25, 2011
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5. **Above-Base Administration.**

- a. **Above-Base and Contingency Reserve.** One hundred percent reimbursement for above-base administrative expenses is provided under the FY 2010 appropriation. The appropriation provides sufficient funding to support the administrative costs associated with an AWIU level of 5.059 million. In addition, \$28.6 million will be made available for each increment of 100,000 (including a pro rata amount for any increment less than 100,000) in the AWIU above the 5.059 million level.
- b. **Emergency Unemployment Compensation (EUC).** EUC administrative costs will continue to be based on quarterly EUC workloads and funded through the UI-3 process.
- c. **Federal Additional Compensation (FAC).** Ongoing FAC administrative costs will continue to be funded through the UI-3 process. Such costs should be reported on line 26 of the UI-3 report and specifically identified in the comments section of the report.
- d. **Support.** The above-base overhead remains at 19 percent. Overhead for Trade Adjustment Assistance (TAA) administration is also 19 percent.
- e. **Postage.** Above-base funding for postage will be issued to states on a quarterly basis using the above-base weeks claimed that are reported on the UI-3 reports. For any quarter, above-base weeks claimed will be those in excess of 25 percent of the FY 2010 base weeks claimed issued in the planning targets. The above-base postage will be paid at 24.3 cents per above-base week claimed.
- f. **Trade Redeterminations.** Currently, there are no court decisions regarding the TAA 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, 18th 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 No. 4040-004) and SF 424A (OMB No. 4040-0006) 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 assessments grants have been solicited. In addition, states will have the opportunity to apply for funds for other purposes that improve integrity and efficiency. Specific instructions will be provided to states in separate advisories.
- b. **UI Performs 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 Integrity 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.** States have full authority to shift UI resources among program categories as deemed 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.
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.