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| EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210 | CLASSIFICATION UI |
| | CORRESPONDENCE SYMBOL OUI/DFAS |
| | DATE July 6, 2011 |

ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 23-11

TO: STATE WORKFORCE AGENCIES

FROM: JANE OATES *Jane Oates*
Assistant Secretary

SUBJECT: Guidelines for Fiscal Year (FY) 2011 State Agency Unemployment Insurance (UI) Resource Allocations, Supplemental Budget Requests (SBRs), and Above-Base Funding

1. **Purpose.** To provide information to states regarding FY 2011 UI State Administration base resource allocations, general guidelines for resource planning, above-base funding, and SBRs.

2. **References.**

- ET Handbook No. 336, 18th Edition, Change 2 (December 2009), *Unemployment Insurance State Quality Service Plan (SQSP), Planning and Reporting Guidelines*;
- Unemployment Insurance Program Letter (UIPL) No. 27-10, *Fiscal Year (FY) 2011 State Workforce Agency Unemployment Insurance Resource Planning Targets and Guidelines*; and
- UIPL No. 23-10, *Additional Planning Guidance for the FY 2011 Unemployment Insurance State Quality Service Plan (SQSP)*.

3. **Appropriation.** The FY 2011 consolidated spending bill that included the appropriations for state UI operations (Public Law 112-10) was enacted on April 15, 2011. The table below shows the average weekly insured unemployment (AWIU) levels and the dollar amounts of the President's Budget request and the FY 2011 appropriation. The amounts appropriated for FY 2011 reflect the FY 2010 appropriated levels with a 0.2 percent across-the-board reduction.

| | Budget Request | Appropriation | Difference |
|--------------------------|------------------------|------------------------|-----------------------|
| AWIU Contingency Trigger | 6,051,000 | 6,180,000 | +129,000 |
| State Administration | \$3,515,079,000 | \$3,189,254,000 | -\$325,825,000 |
| REAs | \$55,000,000 | \$49,900,000 | -\$5,100,000 |
| National Activities | \$11,310,000 | \$11,287,000 | -\$23,000 |
| Total | \$3,581,389,000 | \$3,250,441,000 | -\$330,948,000 |

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| RESCISSIONS None | EXPIRATION DATE July 6, 2012 |
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4. **Final Base Allocations.** The final FY 2011 base allocations are identical to the planning targets.

5. **Above-Base Administration.**
 - a. **Above-Base and Contingency Reserve.** One hundred percent reimbursement for above-base administrative expenses is provided under the FY 2011 appropriation. In addition, to the extent possible, reductions to allocation factors impacting above-base funding will be restored at the end of the fiscal year. It is not expected that actual workloads will approach the 6,180,000 AWIU contingency reserve trigger.
 - 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. **Support.** The above-base overhead remains at 19 percent. Overhead for Trade Adjustment Assistance (TAA) administration is also 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 2011 base weeks claimed issued in the planning targets. The above-base postage will be paid at 25.2 cents per above-base week claimed.
 - e. **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 approval #4040-0004) and SF 424A (OMB approval #0348-0444) for additional funds for certain types of administrative costs (listed below) that are not funded within the state's 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 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.