

U.S. Department of Labor

Employment and Training Administration
Sam Nunn Atlanta Federal Center
Room 6M12 - 61 Forsyth Street, S.W.
Atlanta, Georgia 30303



February 04, 2004

SWA ISSUANCE NO. 03-09

SUBJECT: Funding for New Hires Crossmatch Systems to Detect and Reduce Unemployment Insurance Overpayments

1. Purpose. To announce the opportunity for State workforce agencies (SWAs) to submit supplemental budget requests (SBRs) to fund implementation and/or enhancement of a system to perform computer crossmatches with the State Directories of New Hires (SDNH) for the purpose of detecting and reducing overpayments in the unemployment insurance (UI) program.
2. References. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA); Unemployment Insurance Program Letter (UIPL) No. 35-99; UIPL No. 36-00; and ET Handbook No. 336.
3. Background. Under PRWORA, a State UI agency is allowed access to information reported by employers and maintained in the SDNH. UIPL No. 35-99 and UIPL No. 36-00 provided detailed information regarding the advantages of using the SDNH as the primary means to prevent and detect overpayments to claimants who have worked while collecting UI benefits. While this crossmatch process is considered to be the ideal method for detecting overpayments, roughly half of the States nationwide have not implemented such an approach using the SDNH. With increased emphasis on prevention and quick detection of UI overpayments, it is important that States use the best data and overpayment detection methods available.

The President's FY 2003 budget request includes funds to assist SWAs to implement SDNH crossmatch processes, or for those SWAs that have implemented SDNH crossmatches, to enhance current procedures. If funded at the requested level, \$150,000 will be available to each SWA for these purposes.

4. Preparing an SBR. ET Handbook No. 336 contains instructions for preparing an SBR. Each SWA that needs additional funding for the SDNH crossmatch should prepare and submit an SBR for consideration by the Department. The budget justification should include a description of work to be accomplished during the fiscal year. Any staff costs must be for staff in excess of staff funded by the SWA=s base grant. The following information should be included in the SBR.

a. Hardware, Software, and Telecommunications Equipment. The SBR must include detailed descriptions of the hardware, software, and/or telecommunications equipment purchases that are a part of the proposal. Descriptions should include the technical specifications of the model that the SWA anticipates purchasing. Descriptions must include the number of items and the per item costs. A table similar to the following should be used to provide the required information.

Item	Number	Cost Per Item	Total Cost
PCs	40	\$2,500	\$100,000

The technical specifications of the hardware should be provided in the SBR. Technical specifications should include a description of the following, if applicable:

- Processors (number, type, size, etc.);
- Memory (type, size, etc.);
- Storage (hard drive, controllers, back-up devices, etc.);
- Hardware peripherals (monitors, network connectivity, tape drive, external modem, etc.);
- Operating system; and
- Warranty, field service and/or system support specifications.

A detailed narrative description of the software to be used for this project should include the technical specifications of the software version. These technical specifications should include:

- Version type (operating system type); and
- License (type, number)

Please note that all estimated cost information must be included in the SBR. Ongoing maintenance and telecommunications costs should not be included in the SBR.

b. Staff Needs. The proposal should identify SWA staff needs in excess of base staff and/or current contract staff needs. Staff needs should include the type of position, the expected number of staff hours, and the projected hourly cost. The SBR should include information similar to that in the following table for all staff requests.

Position Title	# Hours	Cost Per Hour	Total Cost
Systems Analyst	120	\$100	\$12,000

If contract staff is requested, documentation should include the type of position, estimated contract staff hours, and the projected hourly costs for contract staff.

c. Other. Include one-time costs for other activities, not identified above, that will be obtained from vendors -- such as telephone companies, Internet service providers, and telecommunications providers.

5. Action. Each SWA should prepare and submit an original and four copies of the SBR to the regional office by March 7, 2003.

The completed SBRs should be sent to:

Mr. Brad Sickles
U.S. Department of Labor
Employment and Training Administration
Sam Nunn Atlanta Federal Center
61 Forsyth Street, S.W., Room 6M12
Atlanta, Georgia 30303

6. Inquiries. Questions regarding this issuance should be directed to Mr. Sickles or Mr. Stephen Dean at 404-562-2122.

7. Expiration Date. March 31, 2003.

Anna W. Goddard
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Regional Administrator