

U.S. Department of Labor

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



March 5, 2003

State Workforce Agency Issuance No. 03-10

SUBJECT: Fiscal Year (FY) 2003 Unemployment Insurance Remote Systems (UIRS) Grants

1. Purpose. To advise State Workforce Agencies (SWAs) of the availability of FY 2003 funds to help selected SWAs implement remote access to the Unemployment Insurance (UI) benefits and tax operations; to provide criteria governing the use of these funds; to provide guidelines for selecting the proposals to be funded; and to invite the submission of proposals.

2. References. ET Handbook No. 336.

3. Background. The U.S. Department of Labor (DOL) has awarded UI remote systems grants to States each year since 1996, to support the implementation of telephone initial claims taking systems. In 1998, internet initial claims taking systems were included in these awards and in 2002, internet tax registration and tax and wage reporting systems were included. To date, 40 States have received grants for telephone initial claims systems, 41 States have received grants for internet initial claims taking systems, 7 States have received grants for internet employer tax registration, and 10 States have received grants for internet employer tax and wage reporting.

While remote systems permit States to improve efficiency and customer service, criminals are finding ways to exploit these systems to obtain benefits fraudulently. SWAs that have already implemented remote systems use a number of methods to prevent and detect fraud. A critical element in designing remote systems, effective prevention of fraud, including identity theft, is a challenge requiring SWAs to assess existing controls on an ongoing basis, and to create new controls, as appropriate. Criteria for evaluating FY 2003 proposals include system security and fraud prevention.

4. Fiscal Year 2003 Funding. DOL will award up to \$9 million from FY 2003 funds for the implementation of UI remote systems in selected SWAs. As in the past, a national office panel will make the selections based upon the scoring of competitive proposals with input from the regional office.

Funds are available for both benefits and tax system grants. States may submit proposals for remote system projects for telephone initial claims systems, internet initial claims systems, internet employer registration systems and internet tax and wage reporting systems. Awards will be limited to a maximum of \$1 million per SWA for telephone initial claims systems, and \$500,000 each for internet initial claims systems, internet employer registration systems, and internet employer tax and wage reporting systems. SWAs may submit

proposals for less than the maximum amount but may not submit a proposal for more than the maximum amount. Grants in each category will be awarded only to States that have not yet received a first time grant for that category.

SWAs hoping to receive grants in more than one category should submit a separate proposal for each remote system to ensure consideration for the maximum funding for each proposal. Each project will be scored on its own merit and must be a viable project regardless of the success of any other grant proposal.

5. Guidelines. The following guidelines apply to UIRS Grants:

- a. Projects must provide remote access to UI program activities.
- b. Funds may be used only for one-time implementation costs, such as hardware, software, telecommunications equipment and staff services. They may not be used for ongoing costs such as maintenance of software and hardware or ongoing communications costs. Expenditures must be covered by the definition of automation acquisition as defined on page II-6 of ET Handbook No. 336, 17th Edition, the Unemployment Insurance State Quality Service Planning and Reporting Guidelines.
- c. SWAs must agree to participate in studies and to share with other States information about operational and technical changes and impacts, estimates of cost savings, evaluations of customer satisfaction, and recommendations based on lessons learned.
- d. UIRS grants are not planning grants and cannot be used for a feasibility study to consider implementing a UI remote access system. SWAs must submit sufficient information to show that a preliminary plan has been developed but may use funds from a UIRS grant to resolve some issues that were not resolved in the SWA's initial planning.
- e. SWAs must agree to supply any additional funds needed to complete the project in a timely manner.
- f. Telephone system grants will be available to SWAs that have not previously received a UIRS grant to implement a telephone system. Internet system grants in each of the three categories will be available to SWAs that have not previously received a UIRS grant to implement that specific internet system.
- g. Customer service will be weighed heavily in scoring proposals for projects for internet employer registration and internet tax and wage reporting. Funds are limited and will be utilized for those proposals that provide a high return on investment both in terms of customer service and dollars saved subsequent to implementation.
- h. In the scoring of initial claims proposals, points will be given to SWAs that have fully implemented an interactive voice response (IVR) system or other electronic system(s) to provide inquiry and information about continued claims and to SWAs that have an IVR system or other electronic system for filing continued claims. For proposals for telephone systems, additional points will be given to States that plan to have toll-free service for initial claims filing.
- i. Since each element carries a specific weight, proposals that cover only a single process, such as security packages, often do not score as well as total system proposals.

j. Proposals scoring below 80 points, of a possible 100 points, will not be funded. During prior years, many proposals would not have been funded if the minimum had been set at 80 points. SWAs should follow the proposal outline very carefully to compete successfully. Each element of the proposal is important and should be addressed completely. Proposals that are very brief usually score poorly. Proposal writers should explain clearly how the proposed system will work in the SWA. Acronyms should be avoided and forms should be addressed by title rather than by form number. UIRS panel members know about UI program operations, but they do not know about specific UI operations and procedures in each SWA.

6. Proposal Format and Instructions.

a. The format and instructions for SWAs' proposals for telephone and internet initial claims systems are provided in Attachment A. The format and instructions for internet employer registration and internet employer tax and wage reporting are provided in Attachment B. All pages in the proposal should be numbered. The Regional Office will determine the number of copies needed for Regional Office review.

b. Each proposal should be accompanied by completed forms SF 424, SF 424A , and SF 424B. The SF 424A requires a breakout of object class categories in item 6 of Section B - Budget Categories. The breakouts must match the proposed expenditures in the proposal. The amount of the proposal MUST NOT exceed the maximum grant amount, therefore, the entries should be less than or equal to the maximum grant amount in item 15. g. of the SF 424 and item 6. k. of the SF 424A .

8. Evaluation Criteria. Evaluation criteria are explained in Attachment A and Attachment B.

9. Regional Office Review Procedures. The regional office will work with SWAs while they are developing proposals to ensure that the best efforts of the SWA are reflected. The weight of the Regional Office's recommendation is 10 percent of the total value. The Regional Office will give a recommendation score from 1 to 10 points for all proposals that meet the UIRS grant criteria. The Regional Office's input will be based upon the merits of the proposal and the SWA's past and current experiences with automation projects. Only proposals that meet the criteria in this Letter should be submitted. In addition to the overall quality of the proposal, the Regional Office will consider the following in making recommendations:

- a. completion of past automation projects within projected time frames and near projected costs;
- b. appropriateness of prior purchases and the designs of automation projects to meet the long-term needs of the SWA;
- c. cooperation between technical and program staff in planning, developing, testing, and implementing automation projects and the degree to which such cooperation is expected to continue during the proposed UIRS Grant project;
- d. efforts of the SWA to evaluate past automation projects and to identify and implement any changes necessary to ensure future success based on the resolution of identifiable shortcomings;

- e. appropriateness of proposed purchases and how well the design of the proposed remote access project will meet the long term goals of the SWA, and
- f. degree to which the proposed system will implement reasonable deterrents to fraud, such as, links to the State's Department of Motor Vehicles, the Social Security Administration database, the State directory of new hires, and available software packages for internet security.

The Regional Office UIRS Check Sheet and Recommendation Form (Attachment C) will be included with the Regional Office's score. The checklist is designed to ensure that required aspects of the grant proposal are not overlooked.

Worksheets (Attachment D, Attachment E and Attachment F) may be helpful to States to ensure that they have addressed all aspects of the proposals upon which they will be scored. Worksheets are patterned after the score sheets the UIRS Panel uses to evaluate the proposals.

9. Time Lines.

- a. Proposals due in the regional office as appropriate by close of business March 21, 2003.
- b. The regional office review the SWAs' final proposals and assign a score for the regional office recommendation.
- c. The regional office submit proposals from SWAs for projects that were not previously funded to the national office.
- d. Evaluation panel completes evaluations and submits recommendations..
- e. Final selection and required notifications will be made by June 20, 2003.
- f. Grant awards made to selected SWAs by July 1, 2003.

10. Action Required. State Workforce Administrators are requested to:

- a. Provide information contained in this issuance and attachments to appropriate staff.
- b. Establish procedures and timelines for the submission of UIRS proposals and advise the RO by e-mail as soon as possible if the SWA will be submitting a proposal (s).
- c. Ensure that the applicable Worksheet Attachment questions are all fully answered in each UIRS proposal submitted. Note that the worksheets are not required to be submitted but they should be used as a guideline for each proposal.
- d. Ensure that each of the items shown in the Check List portion of Attachment C, Regional Office UIRS Grant Check Sheet and Recommendation Form, are adequately addressed in each UIRS proposal submitted.

e. Send the original and three copies of each proposal that meets the criteria to the RO, ATTN: Office of Workforce Security, Division of Unemployment Insurance Operations, postmarked no later than March 21, 2003.

11. Inquiries. Direct questions to Chuck Vantreese or Stephen Dean at 404-562-2122 or cvantreese@doleta.gov & sedan@doleta.gov.

12. Expiration Date. September 30, 2004.

Anna W. Goddard
ANNA W. GODDARD
Regional Administrator

Attachments.

- A. UIRS Grant Proposal Outline - Initial Claims Systems
- B. UIRS Grant Proposal Outline - Unemployment Insurance Remote Access Systems
- C. Regional Office UIRS Grant Check Sheet and Recommendation Form
- D. Worksheet for Initial Claims System
- E. Worksheet for Employer Tax Registration System

UIRS GRANT PROPOSAL OUTLINE
INITIAL CLAIMS SYSTEMS

A. The UIRS GRANT Initial Claims Project Summary.

This format should be used for telephone initial claims systems and for internet initial claims systems. Any SWA applying for both a telephone and internet initial claims system should develop a *separate* proposal for each system. Each proposal should be submitted separately and each system should be able to function independently of the other in the event that only one grant is awarded. The proposal should clearly identify whether the proposal is for a telephone or an internet system.

1. The UIRS GRANT Criteria. The SWA's submission of the proposal and the recommendation of the RO will document the SWA's agreement to:

- a. participate in studies and evaluations of remote claims systems, and
- b. implement a remote initial claims filing system even if no federal grants in addition to a single UIRS grant are available for such purposes.

2. Executive Summary. The Executive Summary should provide a concise summary of the proposal in 1-2 paragraphs including a general description of how the remote claims filing system will work when it is fully implemented.

3. Expenditures and Schedule. Proposals must include a description of proposed expenditures and a projected schedule for significant project activities. Any proposed expenditures that do not contain all of the information required in this Letter will be deducted from the amount of the grant recommendation. If these expenditures represent a major portion of the grant, the proposal will not be recommended for funding.

The amount of the request must not exceed the maximum award amount of \$1 million for telephone initial claims systems or \$500,000 for internet initial claims systems. The expenditures identified in the proposal must agree with all aspects of the 424, 424a and 424b.

B. Scoring Elements.

The following items will be used to score the proposal. Each element is important and should be addressed fully in the proposal. Proposals should follow the outline in this document.

1. Technical Approach and Proposed Expenditures.

A full description of the intended use of the UIRS grant should be developed in the following sections. It should explain how the funds are to be used and why the proposed expenditures represent the best use of funds for the SWA. The SWA should ensure that all proposed expenditures meet the guidelines for automation acquisition.

The narrative should describe the appropriateness of hardware, software, and/or telecommunications equipment for integration with the SWA's current operating systems. It should explain why the SWA believes that this

technical approach is the best choice among the available options. If applicable, the narrative should also address the integration of IVR equipment for continued claims with IVR and/or telephone equipment for initial claims.

UI workloads can be significantly impacted by changes in the economy. Proposals should identify the level of utilization that is anticipated upon implementation of the telephone initial claims system and the corresponding excess capacity. In addition, the proposal should identify the level of increase at which the proposed equipment would be insufficient. The proposal should explain how the SWA determined that the projected capacity of the system is appropriate. This might include calculations based on a prior year of high unemployment as well as plans to conduct on-site mass claims taking, plans to take claims by internet, and/or plans to allow employers to file claims by mail or over the internet or other electronic means to relieve a portion of the telephone claims volume. Proposals for internet initial claims systems should include the percentage of claimants who are expected to utilize internet initial claims filing systems. Estimates at the time of implementation may be less than those of subsequent years, thus, the estimate for different years may vary.

a. Hardware, Software, and Telecommunications Equipment. The proposal 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 also be provided. Specifications should include any of the following that are 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
- Warranty, field service and/or system support specifications.

A detailed narrative description of the software should include the technical specifications of the version being purchased or that the SWA anticipates purchasing. These technical specifications should include:

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

If any of the above narrative information cannot be provided the narrative should state why and should provide all of the available information that is requested. All estimated cost information is required.

SWAs that receive a UIRS grant and subsequently determine that other equipment is more suitable may elect to substitute the other equipment, contingent upon the agreement of the RO. All substitutions must be in line with the overall goals of the project. Decisions to simply purchase a different brand of equipment do not require federal approval. SWAs that wish to purchase equipment that differs more substantially from the original proposal should send a written request for substitution to the RO identifying the items in the original proposal that will not be purchased, the items that are now determined to be more appropriate including cost per item and narrative descriptions, and the reason for the substitution. A substantial change would occur for example when the SWA determines that it will not be necessary to purchase PCs for each of the local offices and elects to purchase an Interactive Voice Response system instead. ROs that determine that the proposed substitutions are appropriate should send a letter to the SWA confirming this change and a copy to the National Office.

If the SWA is seeking to change the category of the expenditures by more than 20 percent it will be necessary to contact the Office of Contracts and Grants Management (CGM) and follow all appropriate steps to seek approval to change the categories of expenditures.

Finally, if a SWA wishes to change the scope of the project, a written request should be submitted to the national office (ATTN: OWS:DUIO) explaining the reason for the change. Such changes may occur when the SWA realizes that the original proposal cannot be completed in a timely manner and elects to drop some aspects of the original proposal for good reason.

b. Staff Needs. The proposal should identify both one-time SWA staff needs (in excess of base staff) and contract staff needs. Staff needs should include the type of position (e.g., program analyst), the expected number of staff hours, and the projected hourly cost. SWAs should include information in the following table for all staff requests.

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

Costs incurred by SWA staff assigned to the project on a temporary basis cannot be funded by the UIRS grant. Any staff costs must be for staff in excess of staff funded by the SWA's base grant. When staff is assigned to the UIRS grant and the vacated position is backfilled by another individual who is not funded under the base grant, this results in the addition of a second staff member. In this case, the cost of the UIRS grant staff activities can be funded as the backfilled position utilizes the base staff funding.

If contract staff is requested, documentation should include the type of position, estimated contract staff hours, and the projected hourly costs for contract staff. SWAs electing to negotiate with the Information Technology Support Center (ITSC) to provide technical assistance should include the type of position, estimated contract staff hours and the projected hourly costs for ITSC staff.

Requested costs for SWA staff, contract staff, and/or ITSC staff that cannot be funded as a part of the UIRS grant will be reduced from the grant amount.

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.

The weight of this element is 15 percent of the total score.

2. Strategic Design. A description of the strategic design of the project should provide a well-thought-out analysis of operations and a plan that integrates the project into the total UI system. It should include estimates of the percentage of initial claims that will be processed by telephone and/or the internet. It should also describe how this proposal fits into the SWA's staffing and automation plans. The narrative should show that the SWA has evaluated its current status and should state why this is the next logical step.

Key decisions about the design of the telephone or internet initial claims taking system should be described. Telephone initial claims proposals should address the decision to utilize an IVR unit to initiate the filing process. The proposal should also address decisions regarding staffing allocation, including where claims takers will be located (central site, multiple telephone centers, local offices, or other). The SWA should describe the reason that these decisions are appropriate for the State. States should address whether or not they plan to provide toll-free numbers for claimants for both intrastate and Interstate calls.

The proposal should describe the plans for dealing with unanticipated increases in the initial claims load. The SWA should explain what it anticipates doing if the claims load increases significantly. The narrative may include purchasing additional equipment, utilizing alternative means of processing claims, or other solutions. It should build upon the size estimate provided in the prior section, which stated the point at which the projected system will not be adequate to meet the claims load and should explain the steps that will be taken to meet increased capacity requirements.

The narrative should address the following, providing information about how each item will be addressed.

a. Claimants who do not understand and speak English. The narrative should include the estimated percentages of claimants who do not understand and speak English, the SWA's plans to serve non-English speaking populations that represent a significant percentage of the claimant population, and the SWA's plans for serving claimants who speak a language that does not represent a significant percentage of the population.

b. Claimants who are hearing impaired. The narrative should describe how claimants who are hearing impaired will be provided service. This factor will be more important for telephone claims systems than for internet claims systems.

c. Claimants who are visually impaired. The narrative should describe how claimants who are visually impaired will be provided services. This factor will be more important for internet claims systems than for telephone claims systems. The internet application must be in compliance with the final rule of Section 508-36 CFR Part 1194.22 Web-based Intranet and Internet Information and Applications as published by the Architectural and Transportation Barriers Compliance Board (Access Board), effective date February 20, 2001.

d. Interstate and combined wage claims. The narrative should describe how the telephone or internet initial claims system will be utilized by Interstate and combined wage claimants. How will the

telephone number or internet address be provided to claimants in other States? Who will bear the cost of the telephone call for telephone initial claims systems filed from another State?

e. Unemployment Compensation for Federal Employees (UCFE), Unemployment Compensation for Ex-Servicemembers (UCX), State and/or Federal Extended Benefits (EB), Trade Readjustment Allowances (TRA), and Disaster Unemployment Assistance (DUA). How will these claims be processed? The narrative should include the general procedures for processing special forms. Plans for integration of the federal claims control center, formerly the Louisiana claims control center, should be addressed for UCFE and UCX claims. The proposal should also include an explanation of the procedures for filing DUA claims if telephone service or internet service is not available in the local area due to a disaster.

f. Integration with the Systematic Alien Verification for Entitlement (SAVE) program. The narrative should explain if SAVE access will be automated or manual. If automated explain the method that will be selected.

g. The Benefit Rights Interview (BRI). The narrative should explain how the BRI will be presented to the claimant and how the SWA will document the receipt of the BRI by the claimant.

The weight of this element is 15 percent of the total score.

3. System Security and Fraud Prevention. System security and fraud prevention are critical considerations for all UI remote claims taking systems. The narrative should explain all aspects of the SWA's plans for ensuring that the system is secure from attempted fraud or abuse. The narrative should also explain how the SWA is going to verify the identity of the claimants. For example, access to data from the Department of Motor Vehicles, the State new hire database and the Social Security Administration (SSA) as well as other sources is very useful in identifying potential fraudulent claims as well as preventing overpayments. In addition, data from the SSA can identify instances in which claimants report incorrect amounts of deductible social security benefits.

The proposal should explain how the SWA will address security issues inherent in fielding the internet applications. The SWA should describe how it is going to address fraud prevention and increased security risks due to implementation of the new systems. The security measures should be in compliance with Special Publication (SP) 800-12 as published by National Institute of Standards and Technology (NIST), dated October 1995. Some of the topics to be addressed include contingency planning, risk management, incident handling, fraud prevention and security training for staff, information sharing, and implementation of security measures in the workplace that include physical security, personnel security, technical security, network security and operational security.

The weight of this element is 20 percent of the total score.

4. Measurable Improvements Expected in UI Operations. The proposal should identify the areas in which customer service is expected to improve through implementation of the proposed system. The proposal should state clearly how the project will improve office operations, including staffing and service. It should identify improvements that are quantifiable such as time, transactions, staff utilization, equipment utilization, or other improvements that can be measured before and after project implementation.

Measureable improvements may include accomplishing necessary work using fewer steps, doing work more quickly, incorporating work steps that are not currently accomplished, and reducing the amount of error that presently occurs in the work product.

Proposals should state how it has been determined that telephone or internet initial claims filing systems will be an improvement for the claimant. These improvements may include extended hours of service, privacy in discussing sensitive claims information with UI staff, the ability to store data and return to it after securing necessary information, or other factors. If employers will also benefit, the narrative should include a description of these benefits as well.

The proposal should explain why this is the most efficient and effective use of available funds for the State.

The weight of this element is 15 percent of the total score.

5. Service Delivery Linkages. The proposal should explain how the SWA will monitor UI eligibility and provide linkages to other workforce investment system services. Linkages should address activities that are expected to occur after filing the initial claim and after the BRI. The description of the service delivery linkages should include the guidelines that the SWA will follow to ensure that the claimant is given information about and access to all available services. Information should include when the SWA or the claimant will initiate contact, how contact will be initiated, how the SWA will ensure that the claimant has been afforded access to all services that might be useful, and a description of what the SWA plans to do to help the claimant obtain any additional services the SWA deems appropriate. This element is critical to ensuring that the wide range of services are explained to the claimant who might not otherwise be aware of the many services within the workforce investment system.

The weight of this element is 15 percent of the total score.

6. Descriptions of Interactive Voice Response (IVR) and/or Internet Systems. The proposal should describe the facilities of the current IVR and/or internet systems for continued claims including both inquiries about weekly claims and automated continued claims filing systems. The description should list all facilities of the inquiry system that are currently operational such as status information about the most recent four weeks of continued claims, local office hours, and other capabilities. If any parts of the systems are currently incomplete, the scheduled date of completion should be included for each part.

The weight of this element is 10 percent of the total score.

7. Regional Office Recommendation. The weight of this element is up to 10 percent of the total score.

C. Supporting Materials.

SWAs may attach additional materials that will enhance the content of the proposal.

UIRS GRANT PROPOSAL OUTLINE
UNEMPLOYMENT INSURANCE REMOTE ACCESS SYSTEM

A. The UIRS Grant Project Summary.

This format should be used for UI remote access systems other than telephone or internet initial claims taking systems. As stated previously, any SWA applying for multiple grants should develop a separate proposal for each system. Each proposal should be submitted separately and each should be designed to be fully functional.

1. The UIRS Grant Criteria. The SWA's submission of the proposal and the recommendation of the RO will document the SWA's agreement to:

a. participate in studies and evaluations of UI remote access systems, and

b. implement the UI remote access system even if no federal grants in addition to a single UIRS grant are available for such purposes.

2. Expenditures and Schedule. Proposals *must* include a description of proposed expenditures and a projected schedule for significant project activities. Any proposed expenditures that do not contain all of the information required in this Letter will be deducted from the amount of the grant recommendation. If these expenditures represent a major portion of the grant, the proposal will not be recommended for funding.

The amount of the request must not exceed the maximum award amount of \$500,000 for UI remote access systems. The expenditures identified in the proposal must agree with all aspects of the 424, 424a and 424b.

B. Scoring Elements.

The following items are used to score the proposal. Each element is important and should be addressed fully in the proposal. Proposals should follow the outline in this proposal.

1. Technical Approach and Proposed Expenditures. A full description of the intended use of the UIRS Grant should be developed in the following sections. It should explain how the funds are to be used, and why the proposed expenditures represent the best use of funds for the SWA. The SWA should ensure that all proposed expenditures meet the guidelines for automation acquisition.

The narrative should describe the appropriateness of hardware, software, and/or telecommunications equipment for integration with the SWA's current operating systems. It should explain why the SWA believes that this technical approach is the best choice among the available options. If applicable, the narrative should also address the integration of IVR equipment the project.

UI workloads can be significantly impacted by changes in the economy. Proposals should identify the level of utilization that is anticipated upon implementation of the UI remote access system and the corresponding excess capacity. In addition the proposal should identify the level of increase at which the proposed equipment would

be insufficient. The proposal should explain how the SWA determined that the projected capacity of the system is appropriate. This might include calculations based on prior workloads.

a. Hardware, Software, and Telecommunications Equipment. The proposal 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 also be provided. Specifications should include any of the following that are 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
- Warranty, field service and/or system support specifications.

A detailed description of the software should include the technical specifications of the version being purchased or anticipated. These technical specifications should include:

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

If any of the above narrative information cannot be provided, the narrative should state why and should provide all of the available information. All estimated cost information is required.

SWAs that receive a UIRS grant and subsequently determine that other equipment is more suitable may elect to substitute the other equipment, contingent upon the agreement of the RO. All substitutions must be in line with the overall goals of the project. Decisions to simply purchase a different brand of equipment do not require federal approval. SWAs that wish to purchase equipment that differs more substantially from the original proposal should send a written request for substitution to the RO identifying the items in the original proposal that will not be purchased, the items that are now determined to be more appropriate including cost per item and narrative descriptions, and the reason for the substitution. A substantial change would occur for example when the SWA determines that it will not be necessary to purchase PCs for each of the local offices and elects to purchase an Interactive Voice Response system instead. ROs that determine that the proposed substitutions are appropriate should send a letter to the SWA confirming this change and a copy to the national office.

If the SWA is seeking to change the category of the expenditures by more than 20 percent it will be necessary to contact the Office of Contracts and Grants Management (CGM) and follow all appropriate steps to seek approval to change the categories of expenditures.

Finally, if a SWA wishes to change the scope of the project a written request should be submitted to the National Office (ATTN: OWS:DUIO) explaining the reason for the change. Such changes may occur when the SWA realizes that the original proposal cannot be completed in a timely manner and elects to drop some aspects of the original proposal for good reason.

b. Staff Needs. The proposal should identify both one-time SWA staff needs (in excess of base staff) and contract staff needs. Staff needs should include the type of position (e.g., program analyst), the expected number of staff hours, and the projected hourly cost. SWAs should include information in the following table for all staff requests.

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

Costs incurred by SWA staff assigned to the project on a temporary basis cannot be funded by the UIRS grant. Any staff costs must be for staff in excess of staff funded by the SWA’s base grant. When staff is assigned to the UIRS grant and the vacated position is backfilled by another individual who is not funded under the base grant, this results in the addition of a second staff member. In this case, the cost of the UIRS grant staff activities can be funded as the backfilled position incurs the base staff funding.

If contract staff is requested, documentation should include the type of position, estimated contract staff hours, anticipated costs per hour, and total cost. SWAs electing to negotiate with the Information Technology Support Center (ITSC) to provide technical assistance should include the type of position, estimated contract staff hours and projected hourly staff costs for ITSC staff.

Requested costs for SWA staff, contract staff, and/or ITSC staff that cannot be funded as a part of the UIRS Grant will be reduced from the grant amount.

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.

The weight of this element is 20 percent of the total score.

2. Strategic Design. A description of the strategic design of the project should provide a well-thought-out analysis of operations and a plan that integrates the project into the total UI system.

All key aspects of the design of the system should be described. The following factors are included to assist SWAs to describe their proposed system. They will identify the complexity of the proposed system. Systems that are more complex will score higher. Any additional capacities should also be explained.

As stated previously, SWAs submitting proposals for both an internet tax registration system and an internet tax and wage reporting system should submit two separate proposals. Proposals for the employer tax registration system should address the factors in section a. below and proposals for employer tax and wage reporting systems should address the factors in section b below.

a. Factors of an Internet Tax Registration System for Employers.

- How will employers be notified of the availability of the internet employer registration system?
- Can the system be used without downloading software to the employer's computer?
- Will the system ensure that no duplicate registrations are filed?
- What information will be available to the employer explaining employer liability under State law? This may include applicable sections of State law, regulations, questions and answers, etc. The proposal should explain all sources of information that will be available to the employer who elects to use the system.
- Will the system determine, without human intervention, if the employer is liable at the time that the employer completes the registration form?
- Will the employer be advised of this determination at the time that the registration is completed?
- Will the system automatically advise the employer of any tax reports due at the time of registration if it is determined that the employer is liable? If not, how will the employer be notified of reports due, tax rates, etc.?
- If the employer is not liable will the system determine an appropriate follow-up date and automatically notify the employer at a future time that he might now need to register? IF yes, will the information that the employer provided on the original application be available to the employer, thus relieving the need to re-key information that has not changed such as the business address? If no, will the system tell the employer when to reapply?
- How will information be collected to assign the appropriate National American Industry Classification System (NAICS) code?
- If a signature is required, how will this be addressed?
- Will the system request and store an e-mail address from the employer for future correspondence?

Consider any additional factors not covered in this list that will be an important part of the project in determining the appropriate score.

b. Factors of an Internet System for Tax and Wage Reporting for Employers.

- How will employers be notified of the availability of the internet tax and wage reporting system?

- Can the system be used without downloading software to the employer's computer?
- Will the system ensure that no duplicate tax and wage reports are accepted?
- Will the system provide on-line help to employers?
- Will the system request and store an e-mail address from the employer for future correspondence?
- Will the system provide a means for identifying the person who submitted the report?
- Will the system download a list of the employees' names and social security numbers from the prior quarter?
- Will the system also allow employers to upload the name and social security numbers of employees from their systems rather than downloading them from a State database if they wish to do so?
- Will the system allow employers to report no wages during the quarter if appropriate?
- How many characters can be stored in each area of the name fields:
 - o First name
 - o Middle name
 - o Last name
 - o Suffix?
- Will the system total the wages for the employer?
- Will the system match the current quarter with prior quarters checking for potential errors such as a transposed social security number and provide the employer with this information before the report is finalized?
- Will the system match quarterly wages from prior quarters to compute taxable wages and enter this amount on the form?
- Will the system compute the tax due based on the employer's applicable tax rate?
- Will the system compute any interest and/or penalty on late reports?
- Will the system add any prior delinquent amounts to the current statement?
- Will the system be linked to the capability to transfer funds electronically?
- Will the employer be able to print a copy of the tax report submitted?

- Will the system provide an acknowledgement that the report has been received and documentation of the date filed?
- If a signature is required, how will this be addressed?
- Will the system provide for the entry of the number of employees on the twelfth of each month?

The weight of this element is 30 percent of the total score.

3. System Security and Fraud Prevention. System security and fraud prevention are critical aspects of all UI systems. The narrative should explain all aspects of the SWA's plans for ensuring that the system is secure from attempted fraud or abuse.

With all UI remote access systems the SWA must ensure that the information they receive is from the party that they believe it to be and that the information that they provide is available only to the appropriate party. The proposal should explain how the SWA will address security issues inherent in fielding the internet applications. The SWA should explain how it is going to address fraud prevention and increased security risks due to implementation of the new systems. The security measures should be in compliance with Special Publication (SP) 800-12 as published by the National Institute of Standards and Technology (NIST), dated October 1995. Some of the topics to be addressed include contingency planning, risk management, incident handling, fraud prevention and security training for staff, information sharing, and implementation of security measures in the workplace that include physical security, personnel security, technical security, network security and operational security.

The weight of this element is 20 percent of the total score.

4. Projected Customer Service Improvements and Return on Investment. The proposal should identify the areas in which customer service is expected to improve through implementation of the proposed system. It should identify the magnitude of the work to be accomplished in terms of the population of customers to be affected. For example, automation of the quarterly wage reporting over the internet could affect every liable employer that has access to the internet. It would ensure that the information supplied by the employer is recorded exactly as it was submitted with no possibility of data entry errors by the SWA.

The proposal should state clearly how the project will improve office operations, including staffing and service. These factors should be used to explain the projected return on investment. It should identify improvements that are quantifiable such as time, transactions, staff utilization, equipment utilization, or other improvements that can be measured before and after project implementation.

Measureable improvements may include accomplishing necessary work using fewer steps, doing work more quickly, incorporating work steps that are not currently accomplished, and reducing the amount of error that presently occurs in the work product.

Proposals should state how it has been determined that the proposed system will be an improvement for claimants, employers, and/or the public. The proposal should explain why this is an efficient and effective use of available funds for the State.

Finally, the SWA should calculate the projected return on investment for the first five years of the project. This time frame is proposed to ensure that there is sufficient time to realize a savings after implementation. It should be presented as a cost savings ratio, such as, for every dollar of the UIRS grant it is expected that a cost savings of three dollars will be saved. If the project will cost more than the maximum amount of the UIRS Grant the additional dollars invested by the SWA should not be included in this calculation. The net result should be only the amount of return expected for each dollar of the UIRS grant. SWAs may elect to invest any additional dollars to complete or enhance the project as they deem appropriate. In developing this information SWAs can consider all costs associated with the current procedures and should estimate factors such as the cost of correcting errors that could be eliminated through automation. For example, SWAs should consider the costs of staff time involved in current operations which will be reduced or eliminated, the current costs of producing forms which will become obsolete, the costs of utilization of specific forms by far fewer customers, the costs of mailing, and any other costs which can be explained and quantified.

The weight of this element is 20 percent of the total score.

5. Regional Office Recommendation. The weight of this element is up to 10 percent of the total score.

C. Supporting Materials. SWAs may attach additional materials that will enhance the content of the proposal.

ATTACHMENT

REGIONAL OFFICE UIRS GRANT CHECK SHEET AND RECOMMENDATION FORM

TYPE OF PROPOSAL: TELEPHONE, INTERNET OR OTHER REMOTE ACCESS SYSTEM (CIRCLE ONE)

STATE:

DATE:

REGION:

REGIONAL OFFICE CONTACT:

(Name, Telephone Number and Internet Address)

PROPOSAL TITLE:

PROPOSAL AMOUNT:

NOTE THE TOTAL AMOUNT OF THE PROPOSAL CANNOT EXCEED \$1 MILLION FOR TELEPHONE OR \$500,000 FOR INTERNET PROPOSALS OR REMOTE UNEMPLOYMENT INSURANCE ACCESS SYSTEMS. PROPOSALS THAT EXCEED THIS AMOUNT WILL NOT BE SCORED.

STATE CONTACT:

(Name, Telephone Number and Internet Address)

CHECK LIST

Please check each item that has been submitted in accordance with the UIRS grant guidelines. Any items that are not included may result in the failure of the proposal to be considered for possible funding.

___ The total funding request of the 424 and the 424a and 424b does not exceed the maximum grant amount of \$1 M for telephone initial claims systems and \$500,000 for all other UI remote access grants.

___ Section B - Budget Categories has been completed by identifying each proposed expenditure in the appropriate section of 6. Object Class Categories and the total in item k. does not exceed the maximum grant amount.

___ The proposed grant expenditures are clearly identified in Section 3., Proposed Expenditures and Schedule, of the proposal and the total expenditures from the grant match those on the 424.

___ All requested expenditures for hardware, software, and telecommunications are identified by item name, number needed, cost per individual item and total cost.

- ___ All requested expenditures for staff are identified by position title, number of hours, cost per hour and total cost.
- ___ The proposal does not contain multiple solutions from which the State will later choose but clearly identifies the State's proposed system.

REGIONAL OFFICE RECOMMENDATION:

Assign an appropriate score from 1 to 10 points as explained in Section 8, Regional Office Review Procedures: _____

NARRATIVE EXPLAINING THE BASIS FOR THE REGIONAL OFFICE RECOMMENDATION:

WORKSHEET FOR INITIAL CLAIMS SYSTEMS

State

System Type

(Telephone or Internet)

Regional Office Recommendation

(Maximum Score 10 points)

Technical Approach and Proposed Expenditures

(Maximum Score 15 points)

Hardware

Software

Telecommunications equipment

Staff Needs

Other

Capacity assessment

Strategic Design

(Maximum Score 15 points)

Integration with SWA staffing

Location of staff and appropriateness for the SWA

Integration with SWA's Automation Plan

The SWA has explained why this is the next logical step.

Plans for dealing with unanticipated increases in the initial claims load

The SWA has explained what it anticipates doing if the claims load increases significantly. The narrative may include purchasing additional equipment, utilizing alternative means of processing claims, or other solutions.

Plans for addressing:

___ UCFE

___ UCX

___ DUA

___ TRA

___ EB

___ Language considerations

___ Hearing impaired (primarily telephone systems)

___ Visually impaired (primarily internet systems)

- ___ Interstate and Combined Wage claims
- ___ Integration with the SAVE program
- ___ Integration with the Federal Claims Control Center for UCFE and UCX
- ___ BRIs
- ___ Conducting Eligibility Review Interviews
- ___ Toll-free Service
- ___ Intrastate
- ___ Interstate

System Security and Fraud Prevention

(Maximum Score 20 points)

Measurable Improvements Expected in UI Operations

(Maximum Score 15 points)

Quantifiable/measurable improvements in quality

Service Delivery Linkages

(Maximum Score 15 points)

Activities after the IC and BRI

Providing information about available services

Providing access to available service

Time frames of contacts

Descriptions of Interactive Voice Response (IVR) or Other Electronic Systems for:

(Maximum Score 10 points)

Continued claims inquiries

Continued claims filing systems

ATTACHMENT E

WORKSHEET FOR INTERNET EMPLOYER TAX REGISTRATION SYSTEM

State

Regional Office Recommendation

(Maximum Score 10 points)

Technical Approach and Proposed Expenditures

(Maximum Score 20 points)

Hardware

Software

Telecommunications equipment

Staff Needs

Other

Capacity assessment

Strategic Design

(Maximum Score 30 points)

- How will employers be notified of the availability of the internet employer registration system?
- Can the system be used without downloading software to the employer's computer?
- Will the system ensure that no duplicate registrations are filed?
- What information will be available to the employer explaining employer liability under State law? This may include applicable sections of State law, regulations, questions and answers, etc. The proposal should explain all sources of information that will be available to the employer who elects to use the system.
- Will the system determine, without human intervention, if the employer is liable at the time that the employer completes the registration form?
- Will the employer be advised of this determination at the time that the registration is completed?
- Will the system automatically advise the employer of any tax reports due at the time of registration if it is determined that the employer is liable? If not, how will the employer be notified of reports due, tax rates, etc.?

- If the employer is not liable will the system determine an appropriate follow-up date and automatically notify the employer at a future time that he might now need to register? If yes, will the information that the employer provided on the original application be available to the employer, thus relieving the need to re-key information that has not changed, such as, the business address? If no, will the system tell the employer when to reapply?
- How will information be collected to assign the appropriate National American Industry Classification System (NAICS) code?
- If a signature is required, how will this be addressed?
- Will the system request and store an e-mail address from the employer for future correspondence?

Consider any additional factors not covered in this list that will be an important part of the project in determining the appropriate score.

System Security and Fraud Prevention

(Maximum score 20 points)

Measurable Improvements

(Maximum score 20 points)

WORKSHEET FOR INTERNET EMPLOYER TAX AND WAGE REPORTING
SYSTEM

State

Regional Office Recommendation

(Maximum Score 10 points)

Technical Approach and Proposed Expenditures

(Maximum Score 20 points)

Hardware

Software

Telecommunications equipment

Staff Needs

Other

Capacity assessment

Strategic Design

(Maximum Score 30 points)

- How will employers be notified of the availability of the internet tax and wage reporting system?
- Can the system be used without downloading software to the employer's computer?
- Will the system ensure that no duplicate tax and wage reports are accepted?
- Will the system provide on-line help to employers?
- Will the system request and store an e-mail address from the employer for future correspondence?
- Will the system provide a means for identifying the person who submitted the report?
- Will the system download a list of employees' names and social security numbers from the prior quarter?
- Will the system also allow employers to upload the name and social security numbers of employees from their systems rather than downloading them from a State database if they wish to do so?

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- Will the system total the wages for the employer?
- Will the system match the current quarter with prior quarters checking for potential errors such as a transposed social security number and provide the employer with this information before the report is finalized?
- Will the system match quarterly wages from prior quarters to compute taxable wages and enter this amount on the form?
- Will the system compute the tax due based on the employer's applicable tax rate?
- Will the system compute any interest and/or penalty on late reports?
- Will the system add any prior delinquent amounts to the current statement?
- Will the system be linked to the capability to transfer funds electronically?
- Will the employer be able to print a copy of the tax report submitted?
- Will the system provide an acknowledgement that the report has been received and documentation of the date filed?
- If a signature is required, how will this be addressed?
- Will the system provide for the entry of the number of employees on the twelfth of each month?

Consider any additional factors not covered in this list that will be an important part of the project in determining the appropriate score.

System Security and Fraud Prevention
(Maximum score 20 points)

Measurable Improvements
(Maximum score 20 points)