

U.S. Department of Labor

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



May 17, 2004

SWA ISSUANCE NO. 04-07

SUBJECT: Unemployment Insurance Integrity Systems Funding Opportunity

1. Purpose. To inform State Workforce Agencies (SWAs) of the opportunity to submit supplemental budget requests (SBRs) to fund the implementation and/or enhancement of systems for preventing, detecting, and reducing overpayments in the unemployment insurance (UI) program.

2. Reference. ET Handbook No. 336.

3. Background. In fiscal year (FY) 2003, \$10 million was awarded to SWAs to build interfaces with other government agencies for the purpose of verifying personal data and performing cross-matches to detect and prevent overpayment of UI benefits. These funds were awarded to SWAs through the SBR process for projects including State Directories of New Hires (SDNH) crossmatches, crossmatches with State departments of motor vehicles (DMV) for identity verifications, and Social Security Number (SSN) verifications through the Social Security Administration (SSA). Funds were also provided for third-party security verifications for interfaces with the SSA to SWAs that were implementing SSN verifications.

4. Funding for Crossmatches. In FY 2004, funding up to \$100,000 per individual SBR is available to SWAs for integrity crossmatches and other processes, including, but not limited to, SSA, DMV, and SDNH. SWAs may submit multiple SBRs for different systems.

5. Guidelines for the Preparation of SBRs. ET Handbook No. 336 contains instructions for completing SBRs. SWAs are encouraged to submit one or more proposals using the following guidelines:

a. Description of the Crossmatch System. The narrative must include the following information:

- Identify the data that will be received from the crossmatch, e.g., name, date of birth, address, etc.
- Estimate the amount of overpayments the match will prevent or detect in a year.
- Estimate the percentage of claimants that will be a part of the crossmatch system.
- Describe the data system that the SWA will utilize to crossmatch claimant records.
- Indicate how often the crossmatch will be run.
- Describe the assurance that the SWA has received that the owner(s) of the data is willing to participate in the proposed crossmatch.
- Identify the planned implementation date of the crossmatch system.

b. Hardware, Software, and Telecommunications Equipment. The SBR must include detailed descriptions of the hardware, software, and/or telecommunications equipment purchases that are to be a part of the proposed project. Descriptions must include the number of items and the cost per item. 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 must also be provided. Specification 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 drives, external modem, etc.);
- Operating system; and
- Warranty, field service, and/or system support specifications.

A detailed narrative description of the software should include the technical specifications of the version to be purchased. These technical specifications should include the version type and the license type.

All available information should be included, and if any of the above narrative information cannot be provided, the narrative should explain why it is not included. All estimated cost information is required. Ongoing maintenance and telecommunications costs cannot be funded through these SBRs.

c. Staff Needs. The proposal should identify one-time SWA staff needs and/or 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 costs. All staff funded under this grant must be in excess of base staff and proposals must state this in writing. SWAs should include information in a format similar to the following table.

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

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

d. Other. The proposal should include and explain any 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.

Standard Forms (SF) 424 and 424A serve as the basis for the grant agreement between the U.S. Department of Labor and the SWA. They must reflect the SWA's best estimate of costs in each individual category. Subsequent changes in actual expenditures will require a modification of the grant if the changes are in excess of 20% for any individual category. For example, if a SWA proposes to spend \$50,000 for hardware and later determines that only \$30,000 will be needed for hardware, the grant agreement must be formally modified. SWAs must ensure that each categorical expenditure on the SF 424A reflects the best available estimate of costs, that these costs are documented in the narrative of the proposals, and that no SF 424 or SF 424A exceeds the maximum grant amount of \$100,000.

Funds used for SSA data exchange security verification purposes that meet the definition of "automation acquisitions" may be obligated through September 30, 2006. If the funds are used for non-automation overpayment related activities, they must be obligated by September 30, 2004.

6. Action Required. SWA Administrators are requested to:

a. Provide information contained in this Issuance to State staff and encourage them to submit requests for implementation or enhancements of benefit crossmatch systems.

b. Develop SBRs adhering to all guidelines of this Issuance.

c. Submit proposals to the regional office by June 25, 2004.

d. Transmit two copies of each SBR to the regional office, attention: Walter Kozik.

Proposals received in the regional office after June 25, 2004, may not be considered for funding approval.

7. Inquiries. Direct questions to Walter Kozik at 404-562-2122, e-mail Kozik.walter@dol.gov.

8. Expiration Date. September 30, 2004.

Helen N. Parker

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Regional Administrator