

I. ADMINISTRATIVE REQUIREMENTS - REVISED

A. INTRODUCTION

The Bureau of Labor Statistics (BLS) is the Federal agency responsible for conducting research related to labor economics and for collecting and analyzing employment and occupational statistics. Since 1917, the BLS has engaged in cooperative arrangements with States to use employment statistics collected by the States in a national-State network of data. This network of statistical programs now extends to more than 50 political jurisdictions and includes the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and selected programs in Guam and the U.S. Virgin Islands.

In conducting the BLS-State cooperative statistical programs, it frequently becomes necessary to make inquiries to State agency contacts on a variety of program-related matters. The BLS has received approval from the Office of Management and Budget to make such inquiries under OMB Number 1220-0168, "General Inquiries to State Agency Contacts."

Some of the statistics and their common uses are highlighted below.

1. Current Employment Statistics (CES)

Employment estimates, average weekly and hourly earnings, and average hours worked in nonagricultural industries, based on payroll records for non-supervisory workers: a major economic indicator of the business cycle; used by Federal and State governments to generate unemployment statistics, by States as an indicator of economic health, and by business for site location planning and labor contract escalations.

2. Local Area Unemployment Statistics (LAUS)

Total employment, labor force, unemployment, and the unemployment rate: used in part to allocate funds to State and local areas for such Federal programs as those of the Workforce Investment Act; also used by the Federal Government to identify labor surplus areas, by the military to focus recruitment efforts, and by State and local governments and private firms for labor market analysis.

3. Occupational Employment Statistics (OES)

Estimates of the number of workers and wage ranges by occupation in nonagricultural industries are used for analysis of the occupational composition of different industries, for determining national policy related to structural unemployment, and for other purposes, such as training and employment planning, and foreign labor certification, at State and local levels.

4. Quarterly Census of Employment and Wages (QCEW)

County level employment and wage data, including monthly employment, total quarterly wages, taxable wages, and contributions: used by the Bureau of Economic Analysis, Department of Commerce, in developing the wage and salary component of the National Personal Income and Gross Domestic Product statistics; by the BLS as a source of employment benchmarks for the CES Program and a sampling frame for most of the BLS establishment surveys; and by the Employment and Training Administration (ETA) for solvency and actuarial studies of Unemployment Insurance (UI).

B. AUTHORIZING LEGISLATION

The BLS is authorized to collect labor market information pursuant to the 1884 statute (29 USC 1), an Act to Establish the Bureau of Labor, as amended. Section 14 of the Wagner-Peyser Act (29 USC 49f(a)(3))

(D)) authorizes the Secretary of Labor to reimburse the States to provide data for national statistical programs. The Workforce Investment Act of 1998 amended the Wagner-Peyser Act by adding a new section 15, "Employment Statistics," which authorizes the Secretary to "...oversee the development, maintenance, and continuous improvement of a nationwide statistics system of economic statistics..."

The BLS uses a cooperative agreement (CA) to fund cooperative statistical programs because of the agency's ongoing involvement in the programs, pursuant to the Federal Grant and Cooperative Agreement Act of 1977 (31 USC 6301-08). The specific statistical programs funded through the LMI cooperative agreement are described in more detail in the work statements in Part III, Application Materials.

C. ELIGIBLE APPLICANTS

Eligible applicants are State agencies designated by the Governor pursuant to the Workforce Investment Act of 1998, or their equivalents in non-State jurisdictions. The BLS may select an alternative applicant if a State agency declines to apply for cooperative agreement funding or otherwise substantially fails to meet BLS application and performance requirements.

D. REGULATIONS AND REFERENCE DOCUMENTS

The LMI programs are administered in accordance with the program operating manuals cited in the work statements, and with:

- Title 29 Part 93 of the Code of Federal Regulations (hereinafter cited as 29 CFR 93), New Restrictions on Lobbying;
- Title 2 Part 2900 of the Code of Federal Regulations (hereinafter cited as 2 CFR 2900), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
- Title 2 Part 200 of the Code of Federal Regulations (hereinafter cited as 2 CFR 200),Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; and
- Title 29 Part 98 of the Code of Federal Regulations (hereinafter cited as 29 CFR 98) and 2 CFR Chapter 1, part 180, Government-wide Debarment and Suspension (Nonprocurement) and Government-wide Requirements for Drug-Free Workplace (Grants).

E. PROGRAM FUNDING

Program funding is subject to the availability of funds. Funds are made available through enactment of a Department of Labor appropriation, or another action such as a continuing resolution. Program funding levels are based on the President's Budget submitted to Congress in February. If the appropriation differs from the President's Budget, then the cooperative agreement may be renegotiated.

As long as the BLS is operating under a full year appropriation, the BLS will issue obligational authority (OA) to a State agency based on the State agency's annual obligation plan. If the BLS is operating under a continuing resolution, OA will be issued based on a proportion of the State agency's annual obligation plan.

The Federal financial assistance awarded under this Agreement is available for obligation by a State agency during the Federal fiscal year beginning October 1 and ending September 30, unless the BLS specifically approves an extension of the Agreement period for particular additional activities to maintain currency.

F. CASH MANAGEMENT

Cash advances to qualified State agencies will be made under the automated clearinghouse method of financing, using the Department of Health and Human Services Payment Management System (HHS-

PMS). The HHS-PMS is designed to make Federal funds available to a recipient organization on the first workday following receipt of a request for funds. The amount requested, therefore, should be based on actual disbursement requirements whenever possible and should be disbursed by the recipient organization as soon after receipt as possible. For this purpose, a disbursement is considered to be the time of the actual release of checks or transfer of funds electronically by the recipient organization to the payees.

The State agency will include with a request for funds a breakdown of the total request by fund ledger code. If a State agency's drawdown request exceeds available OA for a fund ledger code and disapproval of the request will result in an immediate hardship, the BLS will consider approval of the payment on a case-by-case basis.

If a State agency receiving advance payments demonstrates an unwillingness or inability to establish procedures that minimize the time elapsing between receipt and disbursement of cash advances, the BLS may, after notifying the State agency, discontinue the advance payment method and make payments by reimbursement.

G. COST GUIDELINES

1. Allowable Costs

Allowable costs are determined in accordance with the provisions of 2 CFR 200, Subpart E (Cost Principles). A request for prior approval of certain costs, under the cost principles of 2 CFR 200, Subpart E, may be made by means of a letter from the recipient organization to the BLS.

Indirect costs are defined as all costs incurred for a common or joint purpose benefiting more than one cost objective, and not readily assigned to the cost objectives specifically benefited, without effort disproportionate to the results achieved. In order for a State Workforce Agency (SWA) to claim indirect costs under this cooperative agreement, the indirect costs must be contained in a cost allocation plan and/or indirect cost rate proposal developed in accordance with the requirements of 2 CFR 200, Subpart E and approved by the SWA's cognizant Federal agency.

SWAs claiming indirect costs incurred under this cooperative agreement are required to develop and submit cost allocation plans and/or indirect cost rate proposals to the Division of Cost Determination (DCD) or other cognizant Federal agency in accordance with 2 CFR 200, Subpart E. Required documentation for cost allocation plans and indirect cost rate proposals is described in 2 CFR 200, Subpart E. SWAs should pay special attention to Appendix V (State/Local Government and Indian Tribe-Wide Central Service Cost Allocation Plans) and Appendix VII (States and Local Government and Indian Tribe Indirect Cost Proposals) of 2 CFR 200, Subpart E. 2 CFR 200, Subpart E is available on the internet at http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

If the Department of Labor (DOL) is the cognizant agency for SWA indirect costs, the approving office is the Division of Cost Determination (DCD), currently within the Office of Acquisition Management Services, Business Operations Center, Office of the Assistant Secretary for Administration and Management. The SWA shall prepare and submit indirect cost/cost allocation proposals to DCD annually. 2 CFR 200, Subpart E (Appendix V) specifies that proposals be submitted within six months after the close of the government unit's fiscal year. However, if a SWA expects to be unable to prepare and negotiate an indirect cost agreement by this deadline, they can receive an extension from DCD by submitting a written request that explains the need for an extension. DCD may grant an extension to the beginning of the State's next fiscal year. If the DOL is not the cognizant agency, the SWA shall request instructions for the preparation of indirect cost proposal(s) from its identified cognizant Federal agency.

Any State that uses an indirect cost rate, regardless of the cost allocation methodology employed, must annually obtain approval of its indirect cost rate from the cognizant agency. A State cannot recover indirect costs from the BLS without prior approval of its indirect cost rate.

2. Retention of Program Income

Federal regulations at 2 CFR 200.307(e)(1) specify that "...program income [defined as gross income earned by the non-Federal entity that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance] will be deducted from total allowable costs to determine the net allowable costs...[and]...be used for current costs unless the Federal agency authorizes otherwise..." Accordingly, the BLS hereby authorizes State agencies to retain program income generated by the sale of data produced using funds provided by the BLS.

3. Charging Costs

Only actual costs involved in operating the LMI cooperative statistical programs are allowable. Cost estimation and reporting requirements are based on the State Workforce Agency (SWA) Cost Accounting System (CAS) and the BLS-developed LMI Cooperative Statistics Financial Report (BLS LMI-2A), and are compatible with the Financial Accounting and Reporting System (FARS). The BLS expects that State agencies will use automated systems to distribute costs; however, all recipients must be able to budget staff time and costs for the programs on a monthly and quarterly basis and report actual staff time and costs quarterly. No base-program costs may be charged to an additional activity to maintain currency (AAMC), whether or not the AAMC is related to the base program.

Additionally, if an employee's time charges are levied solely against a single Federal award or cost objective (i.e., any or all of the LMI programs covered under this cooperative agreement), the State grantee must certify at least semi-annually that the work being charged for relates exclusively to that award. 2 CFR 200.420 through 200.475 provides full guidance regarding this requirement. Note that States with time and attendance systems that account for employees' time at the project code level on a weekly, bi-weekly, or monthly basis are already in compliance with this requirement.

H. REPORTING

The reporting requirements described below supersede those cited at 2 CFR 200.327.

Monthly, State agencies must report for each regular, ongoing program:

- o Total accrued expenditures (the cost of goods received, services rendered, expenses incurred, and assets acquired) for the month and cumulatively for the current fiscal year;
- o Total obligations (the sum of accrued expenditures to date plus resources on order [i.e., the dollar amount of orders placed for goods or services that have not as yet been delivered by the vendor]) for the month and cumulatively for the current fiscal year; and
- o Total cash received for the month and cumulatively for the current fiscal year.

Quarterly, State agencies must report for each regular, ongoing program, in addition to the above items:

- o Total cumulative obligations by cost category (program staff resources, AS&T staff resources, and nonpersonal services); and
- o Staff years paid by cost category (program staff resources and AS&T staff resources).

If an automated accounting system, such as the SWA CAS or FARS is used, the time distribution system should incorporate the function code “561” for the LMI programs, in addition to any function codes used to reflect general management and supervision activities.

State agencies will submit the following CAS reports, or their equivalents under FARS:

<u>Report #</u>	<u>Report Name</u>	<u>Frequency</u>
CAS 65	Summary Appropriation Status	Monthly
CAS 61	Status of Obligational Authority	Quarterly
CAS 94B	Program Activity Positions and Costs	Quarterly
FARS GA-11	Summary Status of Obligational Authority	Monthly
FARS GA-17	Status of Obligational Authority	Quarterly
FARS GA-12a	Program Activity Positions and Costs (CAS 94B equivalent)	Quarterly
	or, if the GA-12a is not available,	
FARS GA-12	Activity Positions and Costs by Fund Ledger	Quarterly
FARS GA-14a	Fund Ledger Allocation Report (Cumulative)	Quarterly
FARS GA-15	U.S. Department of Labor-Employment Service	Quarterly
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BLS LMI-2A	LMI Cooperative Statistics Financial Report	Monthly/Quarterly
(Not Applicable)	CAS Report 94B Equivalent (if available)	Quarterly

State agencies using either of the approved automated accounting systems, CAS or FARS, should submit the reports generated by those systems. Others should use the BLS LMI Cooperative Statistics Financial Report (BLS LMI-2A) and the equivalent of CAS Report 94B if one is produced by the State agency's accounting system to account for their costs under the Cooperative Agreement. A copy of the BLS LMI Cooperative Statistics Financial Report is attached at the end of this Part (Part I).

Unless otherwise specified by the BLS in the appropriate work statement, in reporting on AAMCs, State agencies will include quarterly bottom-line financial data (e.g., CAS Report 61 or FARS GA-17 data) and a BLS Quarterly Status Report (BLS LMI-2B), a copy of which is attached at the end of this Part (Part I). For AAMCs that cross fiscal years, cumulative expenditures and obligations should reflect the entire period of the AAMC to date, rather than the current fiscal year to date.

A fund ledger code (FLC) has been assigned to each of the LMI statistical programs to enable the BLS to monitor costs on a by-program basis, or, in the case of AAMCs, on a funding source basis. The codes for the programs covered by this Agreement are cited in the LMI Administrative Memorandum transmitting the Cooperative Agreement to the State agencies.

The financial reports and BLS Quarterly Status Reports must be submitted to the BLS regional office within 30 days of the end of the reporting period. The BLS reserves the right to withhold payment to a State agency if financial reports are delinquent.

The SWAs Financial Accounting System must be able to provide the financial information necessary to comply with audit requirements and to complete the Federal Financial Report (FFR or SF-425). State agencies must complete the FFR each quarter at HHS-PMS. The FFR must be completed at HHS-PMS within 30 days from the end of the fiscal quarter, after which the system will close until the end of the following quarter.

I. MONITORING

The BLS will review the financial reports from State agencies to monitor fund utilization and identify potential over- or under-obligations. The primary objectives of financial monitoring are: 1) to ensure that program objectives are met; 2) to prevent significant over- or under-utilization of funds at the end of the fiscal year; and 3) to identify instances where it may be necessary to provide Federal administrative assistance to State agencies.

Per 2 CFR 200.328(e), the BLS may, either as part of a pre-award or at any time subsequent to an award, conduct periodic onsite reviews or request line item financial information to evaluate the adequacy of the financial management system employed by a SWA.

In accordance with 2 CFR 200.328(a), the State agency is responsible for managing the day-to-day operations of agreement activities. The State agency will monitor agreement activities to ensure there is compliance with applicable Federal requirements and that performance goals are being achieved. Monitoring must cover each program, function, or activity.

J. DEOBLIGATION OF UNDERUTILIZED FUNDS

The Budget Information Form (BIF) is a State agency's obligation plan for the CA. For each program in the CA, the BIF breaks down costs by quarter and by cost category (Program Staff, Administrative, Support & Technical Staff, and Nonpersonal Services). (The BIF is described further in Parts II and III.)

The BIF establishes the level of planned obligations during a program year and States should strive to make actual obligations match planned levels. If, however, financial reports reveal a State is under-spent, relative to its total planned obligations, the BLS may deobligate some of the State's funds. When the planned-to-actual difference of obligations exceeds 5 percent of total planned obligations, and is greater than \$10,000, the BLS may unilaterally deobligate up to 90 percent of this difference.

K. BUDGET VARIANCES

At the end of the first fiscal year of the CA, after the funded base program activities are complete but before a partial closeout of the base programs is conducted, a State agency may request a budget variance from the BLS. Budget variances permit States to move a limited amount of funds between base programs and AAMCs to help minimize over- or under-obligation of funds to any single program. Current BLS policy regarding budget variances is stated in LMI Administrative Memorandum S-14-07, dated August 20, 2014. Some of the more significant points from this memo are summarized below.

The total amount to be moved cannot exceed 4 percent of a State's total fiscal year CA funding for base programs and their associated AAMCs.

Budget variance actions will be limited to:

- 20 percent for base programs funded at \$300,000 or more;
- 25 percent (up to \$60,000) or \$10,000, whichever is greater, for base programs funded at less than \$300,000; and

- 33 percent or \$10,000, whichever is lesser, of the total annual project amount for any individual AAMC.
- ☐ Moving funds from AAMCs to base programs is not permitted.

States should refer to the full memorandum to ensure their budget variance requests meet all other applicable conditions.

State agencies should submit their requests for budget variances to the appropriate regional office no later than 60 days after the end of the fiscal year. State agencies should use the BLS LMI Cooperative Agreement Budget Variance Request Form to request the budget variance. (A copy of this form is attached to the end of Part I.)

L. PROGRAM VARIANCES

A program variance is required if a State does not intend to comply fully with all performance requirements for the entire period of the CA. If a program variance is requested, the State agency must submit a Variance Request Form to the BLS regional office for review before it is sent to the BLS national office for review. All program variances must be approved by the BLS national office prior to the CA being signed. The approved program variance is to be referenced in the space provided at the end of the work statement.

M. CHANGES TO THE COOPERATIVE AGREEMENT

1. Budget Changes

Budget changes that require a State agency to obtain prior written approval from the BLS include:

- ☐ Any revision that would result in the need for additional funding; and
- ☐ Cumulative transfers between cost categories that exceed or are expected to exceed 10 percent of the current total approved program budget, whenever the total BLS funding is greater than \$100,000.

2. Programmatic Changes

Programmatic changes that require a State agency to obtain prior written approval from the BLS include:

- ☐ Any revision of the scope or objectives of the CA; or
- ☐ Need to extend the period of availability of funds.

3. Additional Activities to Maintain Currency

Additional activities to maintain currency (AAMCs) that entail both budget and programmatic changes to the base CA require prior written approval from the BLS.

All AAMCs must be planned to start in the fiscal year in which they are funded and be completed no later than the end of the fiscal year following their initiation. All extensions to the end date of the CA due to the AAMC must be requested in writing and approved by the BLS Grant Officer in writing. If granted a time extension, the State agency and the BLS must be clear about which work statement deliverables from the CA still apply.

Either the BLS or a State agency may initiate AAMCs. For the former, the BLS will invite eligible State agencies to apply for AAMCs once the Bureau knows available funding levels. States that elect to participate will then provide completed work statements and cost information. (Detailed procedures for responding to a BLS-initiated AAMC are found later in Part II, Section 9b.)

For a State agency to initiate an AAMC it must send a letter to the appropriate BLS Regional Commissioner requesting funding for the proposed activity. (Detailed instructions for what kind of information to include in the request letter is contained later in Part II, Section 9b.) If funds become available during the CA period, and the BLS has given its approval to the project, then the State will receive notice from BLS to submit the necessary paperwork to change its CA.

4. Obtaining BLS Approval of Changes to the Cooperative Agreement

To obtain written approval from the BLS for budget changes to the CA, a State agency will submit the following:

- An Application for Federal Assistance, SF-424, reflecting the change in the Federal funding for the CA;
- A revised BIF, annotated to reflect the modified budget elements;
- All relevant pages of the appropriate work statement, and;
- A narrative justification for the revision, included in the transmittal letter.

To obtain written approval from the BLS for programmatic changes to the CA or AAMCs, a State agency will submit the following:

- An Application for Federal Assistance, SF-424, reflecting the program change or AAMC, as appropriate;
- A BIF, revised and annotated to reflect a change, or new, if for an AAMC for which funding has been agreed upon;
- A work statement either annotated to reflect a change to the scope or duration of work originally agreed upon, or new if for an AAMC for which funding has been approved, and;
- A narrative justification for the revision, included in the transmittal letter.

A request for prior approval of a change must be received in the regional office 30 calendar days before the beginning of the quarter in which the change will take effect.

5. BLS-Initiated Budget Changes

In the event of a legislative mandate to reduce appropriated funds, requiring the BLS to decrease the amount originally awarded by the CA, the CA will be modified. The BLS prefers to work bilaterally with its State agencies to effect these budget reductions. However, when this is not possible, because, for example, the workload and time involved to obtain State-required review and signature of a bilateral modification are too great, the BLS is prepared to initiate and execute unilateral modifications. If the BLS initiates a unilateral modification, it will promptly notify the affected State agency, in writing, of the change(s) made to the CA. The notification will be specific as to what was done to/for the State.

In addition, in the event that funds are restored in the same fiscal year as they were cut, the BLS will use a unilateral modification to put the funds back if: (a) the State prefers a unilateral modification over a bilateral modification; and (b) the State either did not take any variances when the cut was made so there is no change in work load, or the amount of funding restored matches the amount taken away so that the work load reverts to what was agreed to in the original CA.

6. Time Extensions

Where the sole purpose of a change to the CA is to provide additional time to complete deliverables that relate to AAMCs, a unilateral modification may also be used. Again, the BLS prefers the use of a bilateral modification, but will initiate a unilateral modification to effect the change so as to reduce the State's workload and paperwork. As noted above, any modification to extend the period of performance must clearly State what work is still being done.

N. PROGRAM REVISIONS

The BLS may make periodic revisions to the program manuals. The BLS will attempt to coordinate the timing of these revisions so State agencies do not experience increased workloads during the CA period. If, however, revisions are made that require a substantial change in workload, the BLS or a State agency may initiate a modification to the CA.

O. PROPERTY AND EQUIPMENT

A State agency will follow the requirements related to title, use, and disposition of real property found at 2 CFR 200.311. The State agency will use, manage, and dispose of equipment acquired under the Agreement in accordance with State laws and procedures. Title to equipment purchased with CA funds will vest upon acquisition in the State agency. However, the BLS, per 2 CFR 200.313(a), reserves the right to transfer title to the Federal Government or a third party named by the BLS when such a third party is otherwise eligible under existing statutes. Such transfers are subject to the standards appearing at 2 CFR 200.313(a)(1)-(3). Pursuant to those standards, specifically, 2 CFR 200.313(a)(1), the BLS reserves the right to transfer title of any Automated Data Processing (ADP) equipment, purchased with CA funds, upon termination of financial assistance or when the equipment is no longer needed by the State agency.

P. PROCUREMENT

Except as noted below, when procuring property and services under the CA, a State agency will follow the same policies and procedures it uses for procurements from its non-Federal funds. The State agency will ensure that every purchase order or other contract includes any clauses required by Federal statutes and executive orders and their implementing regulations [2 CFR 200.317 – 200.326].

Pursuant to the provisions of 2 CFR 200, Subpart E, a State agency will request BLS approval prior to the procurement of information technology equipment with a unit cost of \$5,000 or more.

A State agency will not subcontract or contract substantive program work under the CA without the permission of the BLS. Substantive program work includes, but is not limited to, the sampling, data collection, estimation, and validation activities under the CA.

Q. CLOSEOUTS AND AUDITS

Appropriate LMI Memoranda on closeouts and audits will provide specific guidance on the requirements of 2 CFR 200.343, regarding closeout, and 2 CFR 200, Subpart F (Audit Requirements), regarding the Single Audit Act.

If, by virtue of an AAMC, a CA extends beyond the end of the fiscal year of funding, a two-step closeout process is required. A State agency will perform a partial closeout (i.e., financial reconciliation) of the base programs (CES, LAUS, OES, and QCEW) at the end of the fiscal year of funding. A State agency will perform a final closeout of all base programs and AAMCs 90 days after the last AAMC ends, or; 90 days after the end of the fiscal year in which the last AAMC ends.

The State agency has the option of deciding when the final closeout is to be performed; however, the State agency must notify the regional office before the end of the fiscal year of funding which option it has selected. Regardless of timing, for financial reporting purposes, final closeouts must reflect that there are not any outstanding resources on order or accruals remaining at the time of submission. In addition, cash drawdowns in HHS-PMS should equal total expenses for the fiscal year within 90 days of the end of the fiscal year.

The updated Financial Reconciliation Worksheet (FRW) forms, closeout checklists, and property listings must be used by the States for the closeout process. These forms are found at the end of this section.

R. RECORDS

1. Retention

A State agency will retain records in accordance with 2 CFR 200.333 – 200.337, Record Retention and Access. Subject to the qualifications set forth in 2 CFR 200.333, a State agency must retain all records pertinent to the Agreement, including financial and statistical records and supporting documents, for a period of three years from the date of the final expenditure report. Special retention requirements pursuant to 2 CFR 200.333 are found in program manuals and technical memoranda.

2. Disposal

The BLS State Cooperating Representative (see below) is responsible for ensuring that appropriate precautions are taken in disposing of records after the required retention period to ensure that confidentiality is protected. State agencies may follow their own records-disposal policies and procedures, provided they contain safeguards for protecting confidentiality.

S. CONFIDENTIALITY

1. Federal Guidelines

The majority of data collected by the BLS is provided on a voluntary basis by respondents who have agreed to provide the information for the purpose(s) specified by the BLS. A violation of the confidence that respondents place in the BLS would endanger the Bureau's ability to carry out its duties. The Confidential Information Protection and Statistical Efficiency Act (CIPSEA) of 2002 (Title 5 of Public Law 107-347) safeguards the confidentiality of individually identifiable information acquired for exclusively statistical purposes under a pledge of confidentiality by controlling access to and uses of such information. BLS officers, employees, and agents are subject to CIPSEA and other Federal laws governing confidentiality.

2. Description of Confidential Information

For the purposes of this cooperative agreement:

- a. "Confidential information" includes all data collected as part of the LMI programs under sole BLS authority or joint BLS/State authority, with the exceptions described in the following paragraphs 2b and 2c. Some examples of "confidential information" include:

Respondent Identifiable Information (Protected by CIPSEA)

- i. The names, addresses, and other information for units from which data are requested
- ii. All identifiable respondent submissions
- iii. Information in administrative files that has been commingled with confidential information
- iv. Disclosure avoidance parameters applied to published data, unless otherwise specified by the BLS
- v. Any other information in any medium or format that would reasonably disclose the identity by either direct or indirect means of any participant in a statistical program under the auspices of the BLS

Pre-release Information (Protected by Federal Policies)

- vi. Pre-release information such as official BLS estimates and other official BLS statistical products prior to their scheduled release to the public
 - vii. BLS press releases prior to their official release by the BLS that are based upon data that have been previously released to the public
- b. At the State level, Unemployment Insurance (UI) information included in the Quarterly Census of Employment and Wages (QCEW) files is considered the State's data and is subject to State confidentiality provisions and is not subject to the BLS confidentiality provisions of this cooperative agreement. However, QCEW files maintained by the States that have been commingled with respondent identifiable information are considered confidential and must be handled by the States in accordance with CIPSEA and the confidentiality provisions of this cooperative agreement. State data sharing activities involving respondent identifiable information must be conducted in accordance with the data sharing restrictions specified below (Section 5). State data sharing with any person who is not a BLS designated agent must use files that have been cleared of any respondent identifiable information.
 - c. Upon receipt by the BLS of the QCEW files, the BLS will use the QCEW data for exclusively statistical purposes and will hold this information in confidence to the full extent permitted by law.
 - d. Further, at the State level, information from the State's UI database that was used for the Mass Layoff Statistics (MLS) program is considered the State's data and is subject to State confidentiality provisions and is not subject to BLS confidentiality provisions of this cooperative agreement. However, upon receipt by the BLS of UI data for the MLS program, the BLS will use the UI data for exclusively statistical purposes and will hold this information in confidence to the full extent permitted by law.
 - e. In the case of MLS data collected directly from establishments, a pledge was provided to establishments that the BLS will use the information for statistical purposes only and will hold it in confidence to the full extent permitted by law. This means that MLS data that the BLS has must be handled in accordance with CIPSEA and access must be limited to employees and agents of the BLS for exclusively statistical purposes. Further, a pledge was provided to establishments that the data will be used by the State for statistical and Workforce Investment Act (WIA) purposes. This means that once the data from the State's UI database and the data collected directly from establishments are linked, State use of the linked file must be limited to statistical and WIA purposes. Beyond these stated purposes, the State MLS file must be maintained in confidence in accordance with the provisions of this cooperative agreement.

- f. "Confidential information" does not include information on Federal government units and employment and wages information on Federal employees covered under the Unemployment Compensation for Federal Employees (UCFE) program. Such information is fully disclosable under provisions of the Freedom of Information Act.

3. State's Confidentiality Responsibilities

- a. The State agency agrees to use CIPSEA-covered data for statistical purposes only. Furthermore, the State agency agrees to use MLS and QCEW data pursuant to the confidentiality statement provided to respondents at the time of data collection.
- b. The State agency agrees that pre-release information such as official BLS estimates and other official BLS statistical products will not be disclosed or used in an unauthorized manner before its scheduled release to the public, and will be accessible only to authorized persons. Authorized persons are State employees designated as "authorized agents" of the BLS (defined in section 4) or State employees that have been approved for access to BLS pre-release information as certified by the BLS State Cooperating Representative. This provision does not affect the ability of the State agency to publish State estimates (even if the estimation is done by BLS staff) before BLS publishes.
- c. In allowing the State agency to publish State estimates produced by the BLS, the State release may be viewed by authorized persons (as defined above in section 3b) within the Governor's office; however, consistent with best statistical practices, the State agency shall publish the State release in a manner that is objective, unbiased, and free of policy pronouncements. If policy pronouncements are to be made regarding the data, State policy officials should issue a separate independent statement on the data being released by the State agency.
- d. The State agency agrees that BLS press releases available to them prior to their official release by the BLS that are based upon data that have been previously released to the public will not be disclosed or used in an unauthorized manner before they have been released by the BLS and will be accessible only to authorized persons (as defined above in section 3.b.).
- e. In order to ensure secure transmission of BLS confidential information, the following conditions must be met:
 - a. Transmission of confidential information will be restricted to BLS-maintained T1 lines.
 - b. Unless prevented by technical constraints, all LMI-related electronic communications (email) that contain confidential information will be transmitted using the BLS ("bls.gov") mail server. If email is sent from one BLS-provisioned email account to another BLS-provisioned email account no additional email encryption measures are needed. If email will be transmitted using non-BLS provisioned accounts, users will encrypt the data in an attachment using a FIPS 140-2-validated method. For example, FIPS 140-2 approves as encryption the password protecting of Word or Excel attachments as long as they can be saved with the file extension of .docx or .xlsx, respectively. More information on FIPS 140-2 can be found at <http://csrc.nist.gov/groups/STM/>.
 - c. If technical constraints prevent the transmission of confidential data via email, transmission via portable media must also be encrypted using FIPS 140-2-validated methods.

4. Access to Confidential Information

- a. The State agency agrees to assign a BLS State Cooperating Representative in accordance with BLS requirements. The BLS State Cooperating Representative will be designated an agent by the

BLS and must sign a BLS Agent Agreement each year a cooperative agreement is executed. A copy of this form is included as part of the application materials in Part III.

- b. State employees may not have access to respondent identifiable information collected on behalf of the BLS for exclusively statistical purposes, unless they are designated as “authorized agents” of the BLS. For the purposes of this cooperative agreement, “authorized agents” are defined as individuals who have been authorized by the BLS to receive access to respondent identifiable information for work on the activities directly covered by this cooperative agreement and who have signed a BLS Agent Agreement.
- c. State employees may not have access to pre-release information, unless they are designated as “authorized agents” of the BLS (as described in section 4.b.) or they have been approved for access to pre-release information as certified by the BLS State Cooperating Representative. A copy of the certification form is included as part of the application materials in Part III.
- d. The BLS may revoke an agent agreement or revoke an individual’s access to pre-release information at any time and without advance notice.
- e. The State agency agrees to administer annual confidentiality training as provided by the BLS to all State employees designated as agents to carry out work under this cooperative agreement.
- f. The State agency agrees to recertify on an annual basis through the BLS State Cooperating Representative that State employees approved for access to only pre-release information have been provided the “Conditions for Handling BLS Pre-Release Information” (included as part of the application materials in Part II) and have indicated their understanding and acceptance of those conditions. State employees approved for access to only pre-release information are not required to take the annual confidentiality training referenced in section 4.e.
- g. The State agency will assure that there will be no access to respondent identifiable information by any person other than an agent designated pursuant to this agreement. Neither the State agency nor any agent designated pursuant to this agreement will use respondent identifiable information for any purpose other than a BLS-approved statistical purpose. The BLS may require the submission of any output(s) produced from respondent identifiable information intended for release or publication for review and approval to ensure adherence to the terms and provisions of this cooperative agreement. The State agency and designated agents will be bound by the determinations of the BLS.
- h. State agencies may allow remote access to confidential information from offsite locations, provided that employees comply with all telework requirements as described in Section T.28. The State agency will annually provide the BLS Grant Officer with the names of employees approved for telework and will provide updates as they arise. The BLS Grant Officer reserves the right to prohibit access to confidential information.

5. Data Sharing

IntraState and InterState Data Sharing Restrictions:

- a. In order to produce BLS survey estimates or facilitate BLS-funded statistical research provided for under this CA, a State's BLS Cooperating Representative is authorized to share respondent identifiable information within the State agency with other units under the control of the BLS State Cooperating Representative or with another State's BLS Cooperating Representative.
- b. The State agency agrees to obtain BLS approval prior to using the respondent identifiable information for any statistical activity not funded under this cooperative agreement. For activities

approved by the BLS, the State agency agrees to enter into a Memorandum of Understanding with the BLS authorizing that work and stating the terms of access to the respondent identifiable information.

- c. The State agency may share MLS data with other government agencies under formal agreements limiting use of the data to strictly statistical and Workforce Investment Act purposes. Such agreements also shall include adequate and appropriate confidentiality provisions.
- d. The State agency agrees not to divulge, publish, reproduce, or otherwise disclose, orally or in writing, the confidential information, in whole or in part, to any individual other than authorized agents or those individuals approved for access to only pre-release information unless the State agency has obtained the approval of the Associate Commissioner of Field Operations and in the case of respondent identifiable information written consent has been obtained from the respondent prior to disclosure in conformance with BLS policies regarding informed consent procedures.
- e. Upon receipt of any legal, investigatory, or other demand for access to the confidential information in any form, the State agency agrees:
 - i. Not to disclose the confidential information in any form to anyone who is not an authorized agent (in the case of respondent identifiable information), approved individual (in the case of pre-release information), or employee of the BLS.
 - ii. To immediately notify the BLS regional office upon receipt of any demand for access to the confidential information.
 - iii. To refer the demand for confidential information to the BLS to be handled under Federal law.

6. Use of Contractors

The State agency agrees to include adequate and appropriate confidentiality provisions in all contracts awarded, pursuant to this CA, that involve the disclosure of any confidential information orally, in writing, or in any other form, in whole or in part, to the contractor. In particular, provisions for the following must be included:

- a. Contractor officers and employees must adhere to CIPSEA and all applicable Federal laws regarding the handling of all respondent identifiable information and also must adhere to the BLS confidentiality policy as stated in this cooperative agreement with regard to access to all confidential information;
- b. Access to respondent identifiable information must be limited to contractor officers and employees who have been designated as agents by the BLS to work directly on the contract and who have signed a BLS Agent Agreement and have completed confidentiality training in advance;
- c. Access to pre-release information must be limited to contractor officers and employees who have been designated agents by the BLS or approved for access to only pre-release information as certified by the BLS State Cooperating Representative;
- d. Reliability of personnel;
- e. No subcontracting permitted;
- f. Right of inspection of contractor facilities;
- g. Physically secure worksite and computer/communications environment;

- h. Exclusive storage facilities for confidential information;
- i. Immediate notification by the contractor to the State and the BLS upon discovering any breach or suspected breach of security; any disclosure of the confidential information not authorized by the contract; or upon receipt of any legal, investigatory, or other demand for access to the confidential information in any form;
- j. Right of termination for failure to comply with security requirements;
- k. Right to review outputs produced from respondent identifiable information prior to release or publication;
- l. Return or destruction of the confidential information upon termination of the contract; and
- m. Contractor shall not, by action or inaction, cause the State to violate the terms of this cooperative agreement.

T. DATA AND COMMUNICATIONS SAFEGUARDS

1. Background

This cooperative agreement has been developed to establish a management agreement between the BLS and State offices. The BLS and State offices, when referred to collectively in this section, will be described as the “parties.” The systems that are the subject of this agreement are the BLS LAN/WAN system owned by the BLS and State networks, owned by each State. When referred to collectively in this section of the agreement, these systems will be referred to as the “connected systems.”

2. Authority

For security purposes, this agreement is entered into under the authority of the Federal Information Security Management Act (FISMA, Public Law 107–347, December 17, 2002 (as amended)) as part of the E-Government Act of 2002, 44 U.S.C.A. § 101 note.

3. Purpose

This agreement between the parties allows for exchanges of information between State offices and information systems owned, operated, and processed at the BLS as required or allowed by The Department of Labor Computer Security Handbook (CSH) and The Department of Labor Manual Series-9 as well as other federal statutes, regulations, and policies that may apply. This section describes the agreement between the parties for the purpose of securing the data on the connected systems. It is the intent of the parties that they will be bound by this cooperative agreement once it is signed by each authorizing official for the connected systems.

The BLS established and maintains a separate network for the State partners to access via dedicated communications lines for the purposes of processing surveys per the cooperative agreement. To assist in this work, State-accessible intranets are maintained to provide information on program operations and to access files needed to process the surveys. Files are shared for policy councils and the BLS-State teams. This connectivity also provides for training and email communications. The BLS network provides only the capabilities, access, and information needed to execute the tenets of the cooperative agreement. The BLS-provided logical and physical security controls isolate the State-accessible network from the BLS network so that State personnel cannot connect to internal BLS resources.

Identification and authentication security controls for connection to the State-accessible network are provided exclusively by BLS and no trust is assumed for credentials issued by the States.

The BLS exclusively provides for the encryption of confidential data to/from State partners. No State-provided security controls are assumed or used in protecting the confidentiality or integrity of these transmissions.

The BLS-State network architecture was designed and implemented with no expectation of security provided by the State agencies or networks.

4. Connection Type

The BLS LAN/WAN and the State office networks are connected to one another using dedicated T1 lines. This connection is classified as a General Support System (GSS) to GSS connection.

5. Locations

The core of the BLS network resides on the ground floor of the Postal Square Building (2 Massachusetts Avenue, NE, Washington, DC) however; it extends to several regional offices, Regional Outstation Collection Center's (ROCC) and State offices throughout the country.

The State agency office location information is maintained by the BLS regional offices.

6. Data Classification

The sensitivity and criticality of BLS LAN/WAN was assessed using the DOL OCIO Cyber Security Asset Management tool. The tool is compliant with NIST SP 800-60, which provides guidance on implementing Federal Information Processing Standard (FIPS) 199. BLS LAN/WAN has been evaluated for confidentiality, integrity and availability requirements. The results for each security objective are as follows:

a. Confidentiality

The system contains information that requires protection from unauthorized disclosure, such as confidential respondent data provided on a voluntary basis and data subject to sensitive system data such as usernames and passwords. Confidentiality is considered Moderate.

b. Integrity

The BLS economic estimates that rely on this system are released on stringent timetables, some of which are mandated by Congress. They are eagerly awaited and heavily used by public policy makers and the investment community. Thus, erroneous data could affect the BLS' standing as a reliable statistical agency and could have a serious impact on government economic decisions and the financial markets. Integrity is considered Moderate.

c. Availability

As stated above, the BLS economic estimates that rely on this system are released on stringent timetables, some of which are mandated by Congress. They are eagerly awaited and heavily used by public policy makers and the investment community. Thus, a significant delay in the release of data could affect the BLS' standing as a reliable statistical agency and could have a serious impact on government economic decisions and the financial markets. In the event of loss of availability, the system must be restored in a timely manner as outlined in the applicable IT Contingency Plan or Continuity of Operations Plan. Availability is considered Moderate.

d. Overall Security Categorization

According to FIPS 199, a system's overall security categorization, also known as the high water mark, is determined by highest individual sensitivity level for all three of the security objectives. The overall Security Categorization of BLS LAN/WAN is Moderate.

The most sensitive data exchanged via the systems' interconnections are considered sensitive but unclassified (SBU).

7. Essential Communications Required Between the Parties to this Agreement

The parties agree to maintain open lines of communication between designated staff at both the managerial and technical levels. The parties agree to each designate an authorizing official for information security. The authorizing official, or designee, will be familiar with the security posture of the system.

The BLS regional office staff will coordinate all communications between the BLS national office and State partners, except for when technical staff needs to communicate directly with each other to resolve security or connectivity issues.

The parties agree to designate and provide contact information for technical leads for their respective systems, and to facilitate contact between technical leads to support the management and operation of the connection. To safeguard the confidentiality, integrity, and availability of the data stored, processed, and transmitted on or between the connected systems, the parties agree to provide notice of specific events within the time indicated in this section.

The BLS point of contact for security or connectivity emergencies is:

LANWAN Support Staff

202-691-5950

LANHELP@bls.gov

8. Security Incidents

Technical staff will immediately notify their designated counterparts, via the BLS regional office contacts, when a security incident(s) is suspected or verifiably detected, so the other party may take steps to determine whether its system has been compromised and to take appropriate security precautions. Technical staff will provide reasonable support to their counterparts in support of analysis and/or investigation into any security incidents.

9. Disasters and Contingency

In the event of a disaster, technical staff for the system experiencing the disaster will immediately notify their designated counterparts, via the BLS regional office contacts, that a disaster has occurred and describe the contingency operations undertaken or to be undertaken to avoid a disruption of the interconnected systems.

10. Reporting Security Incidents and Disasters

In the event of a security incident or disaster, the owner of the system experiencing the incident or disaster will, in addition to the immediate notice provisions stated above, via the BLS regional office contacts, send formal written notification to the authorizing official for the other interconnected system within three days after detection of the incident(s). This written notification will describe the security incident or disaster in detail and state the measures taken to protect the confidentiality, integrity and availability of information on the interconnected systems.

11. Material Change to System Configuration

Planned technical changes to the system architecture that may affect security with the other party will be reported, via the BLS regional office contacts, to technical staff before such changes are implemented. The initiating party agrees to conduct a risk assessment based on the new system architecture. In the event of material changes to the system's configuration, the parties agree to modify this document as necessary.

12. New Connections

Connections to other information systems outside of either party may affect the security of the connection between State offices and the BLS. Therefore, prior to connecting their systems to any other information system (including systems that are owned and operated by third parties) that is not the subject of this agreement, the State or the BLS office involved with the new connection will determine whether the new connection may affect the security of the connection between the State and the BLS, and if so determined will, via the BLS regional office contacts, provide written notice to the other party at least one month before connecting to the new system. This written notice must contain a detailed description of the new system, including the operational and management security controls for the new system. Within five days of receiving such notice, either party may submit a written request for other relevant information or documentation regarding the connection and/or the system to which the connection is being made. Written responses to such requests must be provided within five days of receipt. In the event that a State must change location(s) of its T-1 connection(s), the State must give the BLS at least 60 days advance notice before moving the line and provide a State technical contact to coordinate the move.

13. Point of Demarcation

The logical components within each system at which control over and protection of the data becomes responsibility of the other system is documented in the BLS LAN/WAN System Security Plan (SSP), which is available to authorized parties on request.

14. Authorization Boundary

The boundary between these two systems is as described in the BLS LAN/WAN SSP. The date of expiration and renewal of assessment and authorization for the BLS LAN/WAN is July 15, 2014.

15. Topology Drawing

A drawing showing systems and boundaries, which emphasizes where data of one system is placed in the other system or transported between access points is included in the BLS LAN/WAN SSP.

16. Connection Safeguards

Both parties agree that the safeguards implemented on their systems are in place and operating effectively as described in their respective system's assessment and authorization or equivalent documentation. Technical safeguards are to be implemented prior to, and as a condition of, establishing and maintaining a secure connection between and within the domain of the sites. The

controls listed in the BLS LAN/WAN SSP include the technical controls required of Federal systems by Federal Information Processing Standards (FIPS) 200, and described in detail in NIST SP 800-53 and NIST SP 800-53A. The BLS recommends that State agencies evaluate their technical security controls against the controls listed in NIST SP 800-53 and NIST SP 800-53A, or equivalent guidance, where applicable.

17. Personnel Changes

The parties agree to provide notification, via the BLS regional office contacts, of the separation or long-term absence of the system owner or technical lead. In addition, both parties will provide notification of any changes in point-of-contact information.

18. Security

Both parties agree to work together to ensure the joint security of the connected systems and the data they store, process, and transmit. Each party certifies that its respective system is designed, managed, and operated in compliance with all relevant laws, regulations, and policies.

19. Cost Considerations

Both parties agree to negotiate the costs of the connecting mechanism and/or media, but no such expenditures or financial commitments shall be made without the written concurrence of both parties. Modifications to either system that are necessary to support the connection are the responsibility of the respective system owners' organization.

20. Effect of Agreement

This agreement is an internal Government agreement and is not intended to confer any right upon any private person.

Nothing in this agreement shall be interpreted as limiting, superseding, or otherwise affecting either agency's normal operations or decisions in carrying out its statutory or regulatory duties.

This agreement does not limit or restrict the parties from participating in similar activities or arrangement with other entities.

This agreement will be executed in full compliance with the Privacy Act of 1974.

21. Resolution Mechanism

In the event of any disagreement arising under this agreement, the parties shall attempt to resolve the disagreement through negotiations in good faith.

22. Authorizing Official Resolution and Consent to Monitoring

In the event of suspected fraud, abuse, or security infraction, the authorizing official for either connected system may, via the BLS regional office contacts, conduct an analysis and investigation. After the initial phases of the incident response plan have been executed, more specifically, the response and containment, and subsequent triage for the connected systems, the authorizing official or point of contact should be notified and provided with at least the basic knowledge that is known as of that point in time. Within five days of receipt of a written request for information, the authorizing official for the system that is the subject of the investigation shall provide all relevant documentation and other evidence or information necessary to support the investigation.

23. Both parties agree to implement safeguards to prevent unauthorized access by electronic or physical means to confidential information.
24. The BLS reserves the right to make unannounced inspections of State facilities to determine compliance with confidentiality and security requirements.
25. In the event of grant termination, or at an earlier time if required by the BLS, all confidential information provided to the State agency by the BLS and any documents or other media created by the State agency that contain confidential information must be returned to the BLS or, with BLS permission, be destroyed. The State agency's failure to surrender or destroy such materials promptly or the State agency's conversion of such materials to a use not authorized by this CA may be a violation of 18 USC Section 641.
26. The State agency agrees to notify the BLS regional office immediately upon discovering:
 - i. Any breach or suspected breach of security, or
 - ii. Any disclosure of the confidential information not authorized by this cooperative agreement.
27. The Authorizing Official, or designee, must sign a Statement of Assurance for Information Security each year a cooperative agreement is executed. A copy of this form is included as part of the application materials in Part III.

28. Telework Requirements

In order for State agency employees to telework while working on BLS programs, the following conditions must be met:

- a. Encryption to Federal standards (e.g. FIPS 140-2) of all data on portable devices (laptops, USB flash drives, optical media, etc.) that contain, or may contain, BLS information and transported outside of agency-controlled facilities per OMB 06-16, OMB 07-16, and NIST 800-53 MP-5.
- b. Use of State-owned and maintained equipment and devices (no use of personally-owned equipment). State-owned equipment must meet all applicable security controls (anti-virus, audit logging and monitoring, least functionality, etc.) as described in NIST 800-53 for a Moderate level of security.
- c. As described in OMB 06-16, OMB 07-16 and NIST 800-53 control IA-2, allow remote access only with two-factor authentication where one of the factors is provided by a device separate from the computer gaining access (e.g. smartcard, token, etc.).
- d. Enforcement of a password-protected screen saver on the PC with a timeout that locks the screen after no more than 15 minutes of inactivity.
- e. As described in OMB 06-16 and OMB 07-16, enforce a session timeout function requiring user re-authentication to the remote access service after 30 minutes of inactivity.
- f. Data may only be accessed and viewed from secure, non-public areas (e.g. primary residence home office, hotel room, etc.).
- g. Compliance with BLS policy related to State access to confidential data as promulgated via technical memos.

U. DATA COLLECTION INTEGRITY

The integrity of the BLS' data collection process requires that all survey information be sound, complete, and of the highest possible quality. Data must be obtained from the appropriate company official or respondent and the data entries must accurately report data and responses they provided. This requirement covers "all aspects of data collection, reconciliation and processing including, but not limited to, the following: personal visits, telephone collection, telephone clarification, mail, tape reformatting, computer assisted telephone interviews (CATI), computer assisted personal interviews (CAPI), telephone data entry (TDE), voice recognition and computer assisted data collection and processing (CADCAP).

The State agency agrees to acquaint all employees involved in data collection for LMI programs with the data collection requirements set out above, and to ensure that they understand that the source of the data, the method of data collection, and the data received from respondents must not be deliberately misrepresented.

V. PUBLICATION OF DATA

Publication of data produced under the Agreement will be limited to BLS-validated or approved data. Funds may be budgeted in the CA to cover the cost of this activity. State agency publication of employment data, occupational data, and labor force and unemployment statistics, including data or deriving from data developed under the CA, must contain the BLS-validated or approved series, and be identified as such.

The cost of mailing publications is an allowable cost, but BLS will not provide additional funding for this purpose. One copy of any publication produced by the State agency with CA funds will be provided to the Grant Officer, except as otherwise indicated in the LMI statistical program manuals.

W. MAIL MANAGEMENT

In keeping with United States Postal Service and General Services Administration mandates, direct accountability of mail now relies on commercial mail and no longer uses penalty meters. Changes to mail practices and mail reporting requirements are described in LMI Administrative Memoranda S-07-9, "Transitioning State Labor Market Information Mail to Commercial Accountability and Practices" and S-07-3, "Supplemental Guidance for State Labor Market Information Commercial Mail Accounts."

States may not use ETA or BLS penalty meter heads for outgoing mail. States have converted to commercial mail payment of metered mail, permit imprint mail, and stamps and stationary in all locations. States should base their mail costs estimate on their postal statements, and use this estimate during CA negotiations with regional offices. The CA award includes funds to pay for commercial mail. Costs for program return mail (e.g., postage due and address correction mail) will continue to be funded directly by BLS with the exception of a few States that are not connected to the United States Postal Service Centralized Account Processing System (CAPS).

X. CERTIFICATIONS

1. Debarment, Suspension, and Other Responsibility Matters

Under the Government-wide system for nonprocurement debarment and suspension, any party who is debarred or suspended will be excluded from Federal financial and non-financial assistance and benefits under Federal programs and activities. [29 CFR 98.100(a)] Accordingly, before being awarded funding, each State agency will submit, as part of its application for funding, the Certification Regarding Debarment, Suspension, and Other Responsibility Matters--Primary Covered Transactions. In addition, each State agency will require participants in lower-tier covered transactions to submit the Certification Regarding Debarment, Suspension, and Other Responsibility Matters--Lower-Tier Covered Transactions. [29 CFR 98.510(a) and 29 CFR 98.510(b)] These certifications and instructions for their completion are found in Part II, Application Instructions.

2. Drug-Free Workplace Requirements

29 CFR 98.630(a) requires that all grantees receiving grants (and cooperative agreements) from any Federal agency certify to that agency that they will maintain a drug-free workplace. Making the required certification is a precondition for receiving a grant from a Federal agency. Accordingly, before being awarded funding, each State agency will certify as instructed in Part II, Application Instructions, that it is maintaining a drug-free workplace.

3. Lobbying Activities

Pursuant to 29 CFR 93, each applicant for a cooperative agreement must certify that the applicant will not use the funds awarded under the cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement. Making the required certification is a precondition for receiving a grant from a Federal agency. Accordingly, before being awarded funding, each State agency will certify as instructed in Part II, Application Instructions.

29 CFR 93 also requires that each applicant for a cooperative agreement with a Federal agency file with that agency a disclosure form if the applicant has made or has agreed to make any payment using nonappropriated funds (to include profits from any covered Federal action), which would be prohibited if paid for with appropriated funds.

Y. ASSURANCES

The standard assurances that follow specify terms and conditions with which State agency must comply, as prescribed by 2 CFR 200.206, Standard Form 424B, Standard Assurances. Pursuant to SF-424B, certain assurances (Nos. 7, and 9 through 16 of SF-424B) are not applicable to this Agreement and have been deleted from the list below.

By placing an "X" or check mark in the "Agree to Comply" box next to the requirement concerning the assurances in the work statement: Requirements for All Programs, the State agency assures and certifies that it will comply with all guidelines and requirements that apply to the application for, and the acceptance and use of Federal funds for this federally-assisted program. Specifically, the State agency assures and certifies that it:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 USC 4728-4763) relating to prescribed standards for merit systems for programs funded under one of the nineteen statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 CFR 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352), which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 USC 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 USC 794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 USC 6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) Sections 523 and 527 of the Public Health Service Act of 1912 (42 USC 290 dd-3 and 290 ee-3), as amended relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 USC 3601 et seq.) as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) that may apply to the application.
7. Will comply with the provisions of the Hatch Act (5 USC 1501-1508 and 7324-7328), which limits the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
8. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and 2 CFR 200, Subpart F (Audit Requirements).
9. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

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Work Statement

State

CA Number

__ __ LM- ____-15-75-J-__

REQUIREMENTS FOR ALL PROGRAMS – ADDENDUM

The requirement below replaces Requirement E, “Administrative Requirements/Assurances” that was included in the original FY 2015 LMI Cooperative Agreement application.

Agree To
Comply
(Check Box)

E. ADMINISTRATIVE REQUIREMENTS/ASSURANCES

The State agency will adhere to all terms and conditions specified in Part I, Administrative Requirements, including the Assurances. By agreeing to comply here, the State agency is relieved of attaching the Assurances to its application.