

**UNEMPLOYMENT INSURANCE (UI) PROGRAM
ANNUAL FUNDING AGREEMENT
(Including Initial Notice of Obligation)
FISCAL YEAR 2012 FUNDS**

Grant Agreement No.

1. Parties. Consistent with 20 CFR 601.6, this Annual Funding Agreement (grant agreement) is entered into between the Employment and Training Administration (ETA), U.S. Department of Labor (Grantor) and the **STATE/Commonwealth of Florida** (Grantee) for the purposes of administering State unemployment insurance program activities authorized under Title III of the Social Security Act (as amended) and portions of other related Federal program laws and regulations applicable to the UI program funds provided under this agreement including, but not limited to, funds authorized under the Trade Act of 1974, as amended, for Trade Readjustment Allowances (TRA), Alternative Trade Adjustment Assistance (ATAA) and Reemployment Trade Adjustment Assistance (RTAA); the Robert T. Stafford Disaster Relief and Emergency Assistance Act for Disaster Unemployment Assistance (DUA); and the American Recovery and Reinvestment Act (ARRA).

2. Grant Funds. This grant agreement applies to **Fiscal Year (FY) 2012** appropriated funds.

3. Applicable Authority. Funds under this grant agreement must be expended in accordance with all applicable Federal statutes; regulations; program directives; the applicable and approved State plan(s) and the incorporated assurances; and the applicable provisions in the appropriations acts for these funds.

4. Grant Expenditure Period. This grant agreement is effective **October 1, 2011 and expires December 31, 2014** to accommodate the maximum statutory life of the various fund accounts. However, expenditures must comply with the statutory/regulatory life of each fund source (subject to availability of Federal funds):

UI Administration – These funds are available for obligation by the Grantee (State) beginning October 1, 2011 through December 31, 2012, unless an extension is otherwise approved. Funds are to be expended and liquidated by March 31, 2013, except that such funds for automation acquisitions shall be available for obligation by the Grantee (State) through September 30, 2014 and unless an extension is otherwise approved, funds are to be expended/liquidated by December 31, 2014 (See Clause 12, Paragraph E).

TRA and ATAA/RTAA – The expenditure period for these benefits funds is the Fiscal Year 2012 beginning October 1, 2011 and expiring September 30, 2012.

Disaster Unemployment Assistance (DUA) – Subject to the Department of Homeland Security's Federal Emergency Management Agency (FEMA) disaster declarations and the Grantee's application for funds, these funds under the FY 2012 Agreement are provided to the Grantee (State agency) via the Grantor (USDOL/ETA) and made effective on the FEMA disaster declaration date (but no earlier than October 1, 2011). The funds are to be expended and closed in accordance with the FEMA rules for payment and subsequent USDOL closeout (targeted for no later than two years from the beginning of the Fiscal Year 2012). *Note: DUA funds are technically "no-year" funds. The "Disaster Assistance Period," during which benefits are paid, is the period "beginning with the first week following the date the major*

disaster began, and ending with the 26th week subsequent to the date the major disaster was declared.” 20 CFR 625.2(f). Immediately after all payment activity has been concluded for a particular disaster, the funds provided will be “closed out” and any unexpended remaining funds returned to FEMA, via the Grantor. A financial closeout and final deobligation of funds is due 90 days after the end of payment activity or the end of the Disaster Assistance Period.

Emergency Unemployment Compensation (EUC08) – The expenditure period for these administrative funds are without fiscal year limitations. Funds may be expended as long as costs to administer the EUC08 program are incurred, within federal appropriation law constraints.

Federal Additional Compensation (FAC) – The expenditure period for these administrative funds are without fiscal year limitations. Funds may be expended as long as costs to administer the FAC program are incurred, within federal appropriation law constraints.

This agreement may be terminated sooner and be subject to grant closeout procedures if all funds are fully expended at a date prior to the December 31, 2014 date. Commencement of expenditures is subject to the effective date on the issuance of Federal obligation authority (Notice of Obligation (NOO)) for each grant funding source account funded under this agreement.

5. Notice of Obligation. Funds for some accounts shall be obligated and allocated upon execution of this Agreement via a NOO in the “Modification 0” document which is a supplement to this Agreement. The initial NOO will be effective October 1, 2011 for those accounts funded at the time of the grant agreement execution. Obligations and costs may not exceed the amount obligated by the NOO in “Modification 0” unless otherwise modified by the Grantor. Funds are obligated for the amount indicated in the “Modification 0” document in accordance with the Grantee’s FY 2012 allotment levels or initial increments thereof and the effective date indicated on the NOO. The Federal obligation level will be amended by the Grant Officer to increase (or adjust) amounts available to the Grantee as funds become available for obligation and additional NOO grant modifications are issued.

6. Electronic Fund Transfer. Cash payments will be made to the Grantee under the Department of Health and Human Services (HHS) Payment Management System (PMS).

7. State Plans. As a condition for receipt of funds under the Annual Funding Agreement, the Grantee agrees to comply with the approved State Quality Service Plan (SQSP) and with any other plans required for the receipt of funds.

8. Veterans’ Priority Provisions. This program, funded by the U.S. Department of Labor is subject to the provisions of the “Jobs for Veterans Act” (JVA), Public Law No. 107-288 (38 USC 4215), as implemented by the regulations in 20 CFR part 1010. The JVA provides priority of service to veterans and spouses of certain veterans for the receipt of employment, training, and placement services. Agreement by a program operator to implement priority of service is a condition of receipt of DOL funds. The Planning Guidance (either the Stand-Alone Planning Guidance at 73 FR 72853 (December 1, 2008)) or the Unified Planning Guidance at 73 FR 73730 (December 3, 2008) and TEGP 10-09 require states to describe the policies and strategies in place to ensure, pursuant to the Jobs for Veterans Act and the regulations, that priority of service is provided to veterans (and certain spouses) who otherwise meet the eligibility requirements for all employment and training programs funded by the

U.S. Department of Labor. In addition, the states are required to provide assurances that they will comply with the Veterans' Priority Provisions established by the Jobs for Veterans Act.

9. Prohibition on subsidization of forced or indentured child labor. States, consistent with Section 103 of the General Provisions of the Department of Labor Appropriations Act, 2010 Public Law No. 111-117 (Division D), and in accordance with Executive Order No. 13126, must not obligate or expend funds made available to administer UI for the procurement of goods mined, produced, manufactured, or harvested or services rendered, whole or in part, by forced or indentured child labor in industries and host countries already identified by the United States Department of Labor prior to enactment of the Department's 2010 appropriation.

10. Salary and Bonus Limitations. In compliance with Public Law No. 111-117 (Division D, sec. 107), none of the funds appropriated in the Act under the heading 'Employment and Training' shall be used by a recipient or subrecipient of such funds to pay the salary and bonuses of an individual, either as direct costs or indirect costs, at a rate in excess of Executive Level II. This limitation shall not apply to vendors providing goods and services as defined in Office of Management and Budget (OMB) Circular A-133. Where States are recipients of such funds, States may establish a lower limit for salaries and bonuses of those receiving salaries and bonuses from subrecipients of such funds, taking into account factors including the relative cost-of-living in the State, the compensation levels for comparable State or local government employees, and the size of the organizations that administer Federal programs involved including Employment & Training Administration programs. See Training and Employment Guidance Letter number 5-06 for further clarification.

11. Intellectual Property Rights. The Federal Government reserves a paid-up, nonexclusive and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use for federal purposes: i) the copyright in all products developed under the grant, including a subgrant or contract under the grant or subgrant; and ii) any rights of copyright to which the grantee, subgrantee or a contractor purchases ownership under an award (including but not limited to curricula, training models, technical assistance products and any related materials). Such uses include, but are not limited to, the right to modify and distribute such products worldwide by any means, electronically or otherwise. Federal funds may not be used to pay any royalty or licensing fee associated with such copyrighted material, although they may be used to pay costs for obtaining a copy which are limited to the developer/seller costs of copying and shipping. If revenues are generated through selling products developed with grant funds, including intellectual property, these revenues are program income. Program income is added to the grant and must be expended for allowable grant activities.

12. Certifications and Assurances. In performing its responsibilities under this agreement, the Grantee will fully comply with the following SQSP assurances, which are incorporated into this agreement by reference with the two "exceptions/revisions" and one "expansion" annotated below. The SQSP assurances are listed below and are detailed in Chapter 1, Part VII of the "Unemployment Insurance SQSP Planning and Reporting Guidelines," ET Handbook No. 336 (18th Edition).

A. Assurance of Equal Opportunity (EO).

B. Assurance of Administrative Requirements and Allowable Cost Standards.

Exception/Revision (Real Property Acquired with Reed Act Funds)

An exception/revision to this assurance in Chapter 1 (VII.B.1.c) which is no longer applicable is as follows: Section 193(b) of WIA, as amended by section 20610 of Public Law No. 110-5, prohibits the use of UI administrative grant funds to amortize the cost of real property acquired on or after February 15, 2007. However, OMB Circular No. A-87, Appendix B, item 11, still permits Reed Act funds used to acquire buildings (but not land) on or after February 15, 2007 to be replenished using UI or Wagner-Peyser grant funds through “cost recovery through depreciation.” Cost recovery through depreciation may also be used for automation equipment acquired with Reed Act funds regardless of the date of purchase.

Exception/Revision (Prior Approval Waiver):

An exception/revision to this assurance in Chapter 1 (VII.B.2.d) is as follows: Notwithstanding the waiver of the requirement of prior approval, the Grantor reserves the right to reimpose the requirement of prior approval by the Grantor, after providing advance notice to the State (Grantee).

- C. Assurance of Management Systems, Reporting, and Recordkeeping.**
- D. Assurance of Program Quality.**
- E. Assurance on Use of Unobligated Funds.**
- F. Assurance of Prohibition of Lobbying Costs (29 CFR Part 93).**
- G. Drug-Free Workplace (29 CFR Part 98).**
- H. Assurance of Disaster Recovery Capability.**
- I. Assurance of Conformity and Compliance.**
- J. Assurance of Automated Information Systems Security.**
- K. Assurance of Confidentiality.**
- L. FAADS (Transparency Act)**

Additionally, OMB, SF 424 B *Assurances – Non-Construction Programs*, signed and submitted by the Grantee with the SQSP annual submission, also apply.

This grant is subject to the following Transparency Act

2 CFR Part 170

Appendix A to Part 170--Award Term

I. Reporting Subawards and Executive Compensation.

a. Reporting of first-tier subawards.

1. **Applicability.** Unless you are exempt as provided in paragraph d. of this award term, you must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) for a subaward to an entity (see definitions in paragraph e. of this award term).

2. Where and when to report.

i. You must report each obligating action described in paragraph a.1. of this award term to <http://www.fsrs.gov>.

ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)

3. **What to report.** You must report the information about each obligating action that the submission instructions posted at <http://www.fsrs.gov> specify.

b. Reporting Total Compensation of Recipient Executives.

1. **Applicability and what to report.** You must report total compensation for each of your five most highly compensated executives for the preceding completed fiscal year, if--

i. the total Federal funding authorized to date under this award is \$25,000 or more;

ii. in the preceding fiscal year, you received--

(A) 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

(B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)

2. **Where and when to report.** You must report executive total compensation described in paragraph b.1. of this award term:

i. As part of your registration profile at <http://www.ccr.gov>.

ii. By the end of the month following the month in which this award is made, and annually thereafter.

c. Reporting of Total Compensation of Subrecipient Executives.

1. **Applicability and what to report.** Unless you are exempt as provided in paragraph d. of this award term, for each first-tier subrecipient under this award, you shall report the names and total compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year, if--

i. in the subrecipient's preceding fiscal year, the subrecipient received--

(A) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

(B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and

ii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)

2. **Where and when to report.** You must report subrecipient executive total compensation described in paragraph c.1. of this award term:

i. To the recipient.

ii. By the end of the month following the month during which you make the subaward. For example, if a subaward is obligated on any date during the month of October of a given year (i.e., between October 1 and 31), you must report any required compensation information of the subrecipient by November 30 of that year.

d. Exemptions

If, in the previous tax year, you had gross income, from all sources, under \$300,000, you are exempt from the requirements to report:

i. Subawards, and

ii. The total compensation of the five most highly compensated executives of any subrecipient.

e. Definitions. For purposes of this award term:

1. **Entity** means all of the following, as defined in 2 CFR part 25:

i. A Governmental organization, which is a State, local government, or Indian tribe;

ii. A foreign public entity;

iii. A domestic or foreign nonprofit organization;

iv. A domestic or foreign for-profit organization;

v. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.

2. **Executive** means officers, managing partners, or any other employees in management positions.

3. Subaward:

i. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.

ii. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see Sec. --- .210 of the attachment to OMB Circular A-

133, "Audits of States, Local Governments, and Non-Profit Organizations").

iii. A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract.

4. Subrecipient means an entity that:

i. Receives a subaward from you (the recipient) under this award; and

ii. Is accountable to you for the use of the Federal funds provided by the subaward.

5. **Total compensation** means the cash and noncash dollar value earned by the executive during the recipient's or subrecipient's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):

i. Salary and bonus.

ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.

iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.

iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.

v. Above-market earnings on deferred compensation which is not tax-qualified.

vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.

This grant is subject to:

2 CFR Subtitle A, Chapter I and Part 25

Appendix A to Part 25--Award Term

I. Central Contractor Registration and Universal Identifier Requirements

A. Requirement for Central Contractor Registration (CCR)

Unless you are exempted from this requirement under 2 CFR 25.110, you as the recipient must maintain the currency of your information in the CCR until you submit the final financial report required under this award or receive the final payment, whichever is later. This requires that you review and update the information at least annually after the initial registration, and more frequently if required by changes in your information or another award term.

B. Requirement for Data Universal Numbering System (DUNS) Numbers

If you are authorized to make subawards under this award, you:

1. Must notify potential subrecipients that no entity (see definition in paragraph C of this award term) may receive a subaward from you unless the entity has provided its DUNS number to you.
2. May not make a subaward to an entity unless the entity has provided its DUNS number to you.

C. Definitions

For purposes of this award term:

1. Central Contractor Registration (CCR) means the Federal repository into which an entity must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the CCR Internet site (currently at <http://www.ccr.gov>).
2. Data Universal Numbering System (DUNS) number means the nine-digit number established and assigned by Dun and Bradstreet, Inc. (D&B) to uniquely identify business entities. A DUNS number may be obtained from D&B by telephone (currently 866-705-5711) or the Internet (currently at <http://fedgov.dnb.com/webform>).
3. Entity, as it is used in this award term, means all of the following, as defined at 2 CFR part 25, subpart C:
 - a. A Governmental organization, which is a State, local government, or Indian Tribe;
 - b. A foreign public entity;
 - c. A domestic or foreign nonprofit organization;
 - d. A domestic or foreign for-profit organization; and
 - e. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.
4. Subaward:
 - a. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
 - b. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see Sec. ----.210 of the attachment to OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations").
 - c. A subaward may be provided through any legal agreement, including an agreement that you consider a contract.
5. Subrecipient means an entity that:
 - a. Receives a subaward from you under this award; and
 - b. Is accountable to you for the use of the Federal funds provided by the subaward.

13. **Signatory Information.** The signatories below agree to the terms and conditions of this agreement on behalf of their respective agencies:

GRANTEE:

Florida
(State/Commonwealth)

Department of Economic Opportunity
Grant Recipient /Agency

MSC 200 Caldwell Building
107 E. Madison Street
Address

TAX EIN# 36-4706134

Tallahassee, Florida 32399-4130

DUNS# 968930664

Authorized Signatory For Grantee:

Cynthia Lorenzo, Chief Operating Officer
Print Name/Title


Signature

10/11/11
Date

GRANTOR:

Employment & Training Administration; U.S. Department of Labor; OGM-DFA, N- 4716
200 Constitution Avenue NW; Washington, DC 20210

Authorized Signatory For Grantor:

B. Jai Johnson
B. JAI JOHNSON, Grant Officer

Signature

10/25/2011
Date