

NOTICE OF INTENT TO AWARD SOLE SOURCE

The Employment and Training Administration (ETA) intends to award additional funding to its cooperative agreement with the National Association of State Workforce Agencies' Center for Employment Security Education and Research (NASWA/CESER) for continued support of the Unemployment Insurance (UI) Integrity Center of Excellence (Integrity Center) on a sole source basis.

The Consolidated Appropriations Act, 2026 (Public Law 119-75)¹ provides Fiscal Year (FY) 2026 funding for federal agencies and provides "... \$9,000,000 for continued support of the *Unemployment Insurance Integrity Center of Excellence...* ." as part of the Department of Labor's appropriation for State Unemployment Insurance and Employment Service Operations.

The UI Integrity Center has been operated by NASWA)/CESER since FY 2017. NASWA/CESER is a 501(c)(3) entity incorporated in August 1994 as an education and research arm of the NASWA, which is a national organization of state administrators of the publicly funded state workforce system and is a leading provider of information technology, education, and research support focused exclusively on UI and workforce development initiatives and activities.

Department of Labor Manual Series (DLMS) 2, Chapter 800, Section 836(G)(3) provides the authority permitting other than full and open competition, "recipient has unique qualifications to perform the type of activity to be funded". NASWA/CESER is uniquely positioned as the states' agent and as an organization whose mission includes supporting the collective interests of its members, the state workforce agencies, which includes leadership operating state UI programs.

NASWA serves as the collective voice of state agencies on UI matters, and through its subsidiary, CESER, fosters and supports relationships to help ensure program integrity and quality performance of the UI system nationwide. NASWA/CESER is uniquely qualified to provide a forum for states to exchange information and ideas related to program requirements and peer-to-peer collaboration to help ensure the integrity of UI program operations. NASWA/CESER also serves as a liaison between state workforce agencies, ETA, other Federal government agencies, Congress, business, labor, and intergovernmental groups.

The primary mission of the UI Integrity Center is to serve as a state-driven source of innovative program integrity strategies to prevent, detect, and recover improper payments, reduce fraud, and bring the UI program into compliance with the requirements of the Payment Integrity Information Act of 2019. The UI Integrity Center provides training and technical assistance to states to improve UI program integrity; develops, disseminates, and promotes innovative new tools and products that are transferable and scalable for all states to prevent UI improper payments and enhance fraud management operations; and enables rapid alerts to states on new fraud schemes as they are identified.

The continued funding of the UI Integrity Center is essential to NASWA/CESER's completion and expansion of presently funded project deliverables. The UI Integrity Center completed several of its core strategies over the past year and continues to develop and implement others. Providing the funding resources to an entity other than CESER would lead to significant

¹ <https://www.congress.gov/119/plaws/publ75/PLAW-119publ75.pdf>.

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duplication of work at a cost to the Government; a major disruption of the UI Integrity Center's work currently underway; and a significant delay in the availability of products and tools needed by states to prevent, detect, and recover improper and fraudulent payments in the UI program.