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GOVERNOR

STATE OF MICHIGAN
UNEMPLOYMENT INSURANCE AGENCY
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
STANLEY "SKIP" PRUSS, DIRECTOR
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DIRECTOR
UNEMPLOYMENT
INSURANCE AGENCY

June 4, 2009

Cheryl Atkinson, Administrator
Office of Workforce Security
Employment & Training Administration
U.S. Department of Labor
Frances Perkins Bldg. – Room S-4231
200 Constitution Avenue, N.W.
Washington, D.C. 20210

Dear Ms. Atkinson:

This letter contains the formal request by the Unemployment Insurance Agency (UIA) of the Michigan Department of Energy, Labor and Economic Growth, for the incentive payment made available by Section 2003(a) of the *American Recovery and Reinvestment Act of 2009* (ARRA), P.L. 111-5. Specifically, it is the incentive payment available as a result of the amendment by the ARRA adding Subsection (f)(1)(C)(i) to Section 903 of the *Social Security Act*, relating to the alternative base period (ABP).

Section 903(f)(2) provides that a state meeting the requirement of either (A) or (B) qualifies for the incentive payment described in 903(f)(1)(B). Section 903(f)(2)(B) provides as follows:

(B) provides that, in the case of an individual who would not otherwise be eligible for unemployment compensation under the State law because of the use of a base period that does not include the most recently completed calendar quarter before the start of the benefit year, eligibility shall be determined using a base period that includes such calendar quarter.

Section 45 of the Michigan Employment Security Act, being Section 421.45 of the Michigan Compiled Laws, provides as follows:

For benefit years beginning before the conversion date prescribed in section 75, "base period" means the period of 52 consecutive calendar weeks ending with the day immediately preceding the first day of an individual's benefit year. For benefit years beginning after the conversion date prescribed in section 75, base period means the first 4 of the last 5 completed calendar quarters before the first day of the individual's benefit year. **However, if an individual has not been paid sufficient wages in the first 4 of the last 5 completed calendar quarters to entitle the individual to establish a benefit year, then base period means the 4 most recent completed calendar quarters before the first day of the individual's benefit year.** [Emphasis added.]

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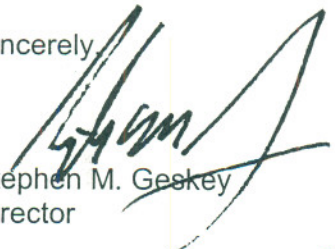
The "conversion date" was October 1, 2000, meaning that the ABP has been in Michigan law since that date; I certify that Section 45 quoted above is currently in effect and is a permanent provision of Michigan's law, not subject to discontinuation (other than by amendment or repeal by the Legislature), and is submitted in good faith with the intention of providing benefits to unemployed workers who meet the eligibility provisions on which this application is based.

It is the intention of the UIA to use the incentive payment provided under Subsection 903(f)(1)(C)(i) to improve or strengthen the state's UC program, in the following ways:

- Funding for the new call center (Lansing, Michigan) which opened in February 2009 to meet increased demand;
- Funding for approximately 300 limited term merit system employees since mid January 2009 to meet increased demand;
- Funding to hire additional limited term merit system employees to meet increased demand anticipated from the decline of the state's automotive industry (from automakers to suppliers to businesses supported by the same); and
- Funding to improve other aspects of our state's unemployment insurance program, namely IT expenditures, including a computer system rewrite project.

Thank you for your attention to this matter.

Sincerely



Stephen M. Geskey
Director

cc: Gerard Hildebrand ✓
Byron Zuidema
Stanley "Skip" Pruss
Susan Corbin