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ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 10-12

TO: STATE WORKFORCE AGENCIES

**FROM: JANE OATES /s/
Assistant Secretary**

SUBJECT: Fiscal Year (FY) 2012 Unemployment Insurance (UI) Reemployment and Eligibility Assessment (REA) Grants

1. Purpose. To invite state workforce agencies to submit proposals and funding requests to continue a UI REA program funded by a UI REA grant or to implement a UI REA program in a state, and to provide revised guidelines for UI REA programs for FY 2012 grants, including criteria governing the use of UI REA grant funds.

2. References.

- Unemployment Insurance Program Letter (UIPL) No. 10-11, Fiscal Year (FY) 2011 Unemployment Insurance (UI) Reemployment and Eligibility Assessment (REA) Grants;
- Information Collection Request for the ETA 9128, Reemployment and Eligibility Assessment Workloads Report, and the ETA 9129, Reemployment and Eligibility Assessments Outcomes Report: Extension Without Change, Comment Request, 73 Federal Register 73957 (December 4, 2008);
- Employment and Training (ET) Handbook No. 401, 4th Edition, *Revised ET Handbook No. 401, Unemployment Insurance Reports Handbook*;
- ET Handbook No. 402, 5th Edition, *Revised ET Handbook No.402, Unemployment Insurance Reports (UIR) User Manual – Web Version*;
- Training and Employment Notice No. 31-09, Cross-Program Collaboration for Reemployment and Eligibility Assessment (REA) Grants.

3. Background. The UI REA program is designed to address the reemployment needs of UI claimants, and to prevent and detect UI improper payments, both of which are high priorities for the U.S. Department of Labor’s (Department’s) Employment and Training Administration (ETA). ETA is focused on connecting UI claimants with reemployment and training services through the workforce investment system, specifically by linking them to services through the One-Stop Career Center system. The workforce system, which includes the UI program, is a single, comprehensive, integrated entity in which UI provides a core service. The UI REA program in a state provides claimants a full array of services available at One-Stop Career Centers and also ensures that claimants comply with all UI eligibility requirements. For many individuals, the UI program provides an entry point into the service delivery system. Individuals

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filing UI claims are active job seekers who, through the state's UI REA program, are made aware of the variety of available reemployment services and referred to those that are appropriate for them. In FY 2011, forty-two states operated UI REA programs.

The Department's UI REA program guidelines, including four new requirements beginning in FY 2012, are provided in this UIPL. The changes continue to move state UI REA programs toward a more uniform UI REA delivery model. Data is collected on state UI REA workloads and activities, and on outcomes. ETA will continue working with states to improve the quality of UI REA data reported on two reports that are required for administration of the program. The collection of timely and accurate data on the effectiveness of the UI REA program in a state provides critical documentation to assess the value of the UI REA program in that state and nationally.

4. FY 2012 Funding. Funds are available to continue the UI REA program in FY 2012. States with current UI REA programs may apply to ETA for grants to continue or expand their programs to additional areas within the state, and/or to provide assessments to a larger number of claimants, as described below. States interested in implementing a UI REA program are also encouraged to apply for this funding.

A. Continuing UI REA Programs. The timetable in state proposals for a FY 2011 UI REA grant provided for all obligations to occur by March 31, 2012. The timetable in state proposals for FY 2012 UI REA grants should provide for obligations to begin on April 1, 2012 and end on March 31, 2012. Therefore, all estimated cost figures for proposals for FY 2012 UI REA grants by states continuing a UI REA program should be based on the time period beginning on April 1, 2012, and extending through March 31, 2013. In accordance with the award letter for FY 2011 UI REA grants, the obligation date specified by the Grant Officer on the Notice of Obligation for these FY 2011 funds is September 30, 2012. Therefore, any funds remaining unobligated after March 31, 2012, should be applied to the FY 2012 UI REA grant to reduce the amount the state requests to meet estimated costs to continue the UI REA program through FY 2012. States must determine if any FY 2011 UI REA funds will remain unobligated by March 31, 2011, provide this information in their FY 2012 UI REA grant application, and then ensure that all FY 2011 UI REA funds are obligated before obligating FY 2012 UI REA funds.

Proposals from states currently operating a UI REA program should provide the information requested in the "Unemployment Insurance Reemployment and Eligibility Assessment (REA) Proposal Outline for Continuing States" (Attachment C), and an abstract of the proposal with the elements listed on Attachment B, "Elements of an Unemployment Insurance (UI) Reemployment and Eligibility Assessment (REA) Grant Proposal Abstract." "The Unemployment Insurance (UI) Reemployment and Eligibility Assessment (REA) Data Concerns" (Attachment D) provides information on common data problems, which may help states currently operating a UI REA program address and write about the accuracy of their UI REA data. States must review their UI REA data with a focus on identifying inaccurate data. The state's proposal should identify the errors in the data that the state has provided on quarterly ETA 9128 reports, describe the

state's plans to correct the data, and provide a timeline and schedule of actions the state is prepared to take to correct the data. In addition, states must identify errors in outcomes data reported on the state's ETA 9129 submissions, describe steps that the state will take to address any negative outcomes, and provide a schedule for corrective action. States experiencing ongoing difficulties in reaching the workload and/or minimum comparison group level projected in their UI REA proposals for FY 2011 should request a lower level of funding in FY 2012 than was provided in FY 2011.

- B. New UI REA Programs.** States seeking to initiate a UI REA program should submit a proposal providing the information requested in the "Unemployment Insurance (UI) Reemployment and Eligibility Assessment (REA) Proposal Outline for First Year UI REA Grants" (Attachment A) and provide an abstract of the proposal with the elements listed on Attachment B. Such states should include in the proposal start-up costs, and costs related to the development of programs to produce the UI Required Reports, Reemployment and Eligibility Assessments Activities, ETA 9128, and Reemployment and Eligibility Assessments Outcomes, ETA 9129 (OMB approval No. 1205-0456 (for both reports)).

UI REA program funds for new states should be budgeted for obligation within one year of the date of program implementation. The date of program implementation is the date that the first UI REA participant in the state is scheduled to report to a One-Stop Career Center for a UI REA. States should notify the appropriate ETA Regional Office when the program has been implemented, as this date is needed for monitoring purposes.

5. New UI REA Guidelines for FY 2012. For FY 2012, there are four additional guidelines for UI REA programs: 1) a maximum of two hours of staff time may be funded to conduct each UI REA; 2) all states that operated a UI REA program in FY 2011 must provide a narrative about their UI REA data in their proposals for FY 2012 UI REA grants; 3) all claimants selected for a UI REA must attend the UI REA; and 4) each completed UI REA must include a referral to a reemployment service and/or training.

- A.** Funding for each individual UI REA in FY 2012 may not exceed two hours of staff time. This time includes all activities that are a part of the delivery of the UI REA and the associated documentation of claims records and correspondence. If a portion of the UI REA is provided in a group setting, the staff time for that activity should be divided by the number of UI REA participants that are likely to be a part of the group activity. For example, if two staff members conduct a group orientation session that lasts one and one half hours and ten UI REA participants are expected to attend, the staff time devoted to each UI REA participant for this activity would be 18 minutes. This is calculated as follows:

$$90 \text{ minutes} \times 2 \text{ staff members} = 180 \text{ minutes} / 10 \text{ participants} = 18 \text{ minutes}$$

- B.** States currently operating a UI REA program have been submitting the required UI REA quarterly reports, and the ETA National Office provides a quarterly summary of the

reported data to each state UI REA lead with a copy to the appropriate ETA Regional Office. UI REA activities are reported on the ETA 9128. The outcomes of the UI REA program are measured on the ETA 9129 reports where the outcomes of the comparison group are compared to outcomes of the UI REA group. States must review their reported data for the most recent four-quarter period and confirm the accuracy of the data in a narrative attached to the FY 2012 UI REA grant proposal. The narrative should explain the steps the state is taking to correct any errors in the data identified by ETA and the state. It should also address results that do not reflect positive outcomes in measurements of average duration, benefits per claimant, percent exhausting, and percent reemployed over multiple reporting periods. The narrative also should address planned changes that will be implemented to improve the data quality. Attachment D has been developed to help states identify reporting problems. The quarterly summary of data includes comparisons of the workload activities and of the outcomes. States should use these summaries in preparing the narratives for their proposals, and the National Office will use these summaries to evaluate the state's proposal for a FY 2012 UI REA grant.

- C. All claimants selected for a UI REA must attend the UI REA. Participation in a UI REA is mandatory once the state notifies a claimant that s/he has been selected for a UI REA. Therefore, if a claimant fails to report for the UI REA without notifying the state beforehand, the state must refer the issue of the claimant's non-reporting to adjudication under state law.
- D. In addition to the required UI REA core activities (see item 6A), each UI REA, including subsequent UI REAs for an individual, must include a referral to a reemployment service and/or training.

6. Basic UI REA Guidelines. UI REA funds must be used to assess the continued eligibility and reemployment needs of UI claimants. They are not intended to supplant ongoing UI grant funds devoted to eligibility reviews for claimants who are not selected for a UI REA. States do not have to implement the UI REA program statewide. Assessments are to be conducted only for UI claimants who do not have a definite return-to-work date. Claimants who are selected for participation in the Worker Profiling and Reemployment Services Program should be excluded from the UI REA treatment group consisting of claimants selected for a UI REA and the comparison group, as discussed in Attachment A and Attachment B.

The requirement that reemployment services be provided to UI REA participants through the One-Stop Career Center and the actions to be taken when claimants fail to report as directed are explained below. By applying for UI REA funding, states are agreeing to meet this requirement for the provision of reemployment services. Reemployment services such as resume writing or interviewing techniques workshops and job placement activities should be an extension of the UI REA program, but they must be funded through other sources such as Workforce Investment Act (WIA) funds. These costs must not be included in the state's proposed use of UI REA grant funds.

UI REA programs should be an integral part of states' strategies for delivering reemployment services. ETA has encouraged states to develop a comprehensive and integrated service delivery model to ensure that UI claimants receive an enhanced level of services. The following guidelines also apply:

- A. Each UI REA must include the following minimum core components:
 - UI eligibility assessment and referral to adjudication, as appropriate, if a potential issue is identified;
 - Requirement for the claimant to report to the One-Stop Career Center to receive the services identified in section C below;
 - The provision of Labor Market Information; and
 - Development or review of a reemployment plan that includes work search activities, accessing services provided through the One-Stop Career Center, and/or approved training.

- B. UI claimants must be required to report in person to the One-Stop Career Center for staff-assisted services as a part of the initial UI REA. Subsequent UI REAs for the same individual may be conducted by telephone, if appropriate. If a telephone UI REA is conducted, state UI REA staff should ensure that both they and the claimant have access to the claimant's reemployment plan for review. The claimant's activities must be reviewed, and any proposed changes along with the concurrence of the claimant must be documented.

- C. States are required to establish or renew an agreement or Memorandum of Understanding (MOU) to address the requirements of the UI REA program in FY 2012. The MOU must identify reemployment service needs and provide, at a minimum, the following services:
 - Orientation to help claimants access self-service core services offered in One-Stop Career Centers through the resource room or virtually, with particular emphasis on accessing available labor market and career information;
 - Registration with the state's job bank;
 - Referrals to appropriate services offered through One-Stop Career Centers such as self assessments, education and training information, interviewing techniques, networking, career exploration, and on-line job and occupations resources; and
 - Support in the development of the claimant's reemployment plan that must include work search activities, appropriate workshops on topics such as resume writing and job search strategies and/or approved training.

Each state workforce agency provides a plethora of reemployment services which change as new services are offered and others are discontinued. The MOU should be written so as to ensure that UI REA participants do not receive only minimal services but can be referred to any reemployment service that is deemed necessary to help the claimant return to suitable employment. Such services may include referrals to job clubs, career counseling, interviewing techniques workshops, and many other valuable services.

- D.** UI REA claimants are required to participate fully in all components of the UI REA. Failure to report or failure to participate in any aspect of the UI REA should result in referral of the issues to adjudication of these issues under applicable state law. Claimants who contact the appropriate agency before their UI REA appointment and request to change the scheduled UI REA date or time for reasons such as scheduled job interviews may be accommodated. They should be counted on the ETA 9128 as a “scheduled UI REA” rather than as a “rescheduled UI REA,” as explained in ET Handbook No. 401. States must include in their proposals, as explained in Attachment A and Attachment B, the processes for:
- A feedback loop to the UI system as to whether the claimants reported to the One-Stop Career Center as directed and participated in the minimum activities outlined in their reemployment plan; and
 - A process for referring to adjudication UI claimants selected for UI REAs who fail to report for them without contacting the agency.
- E.** A measure of program effectiveness is derived by comparing outcomes of UI REA program participants with outcomes from a similar group of claimants who did not participate in the UI REA program. Therefore, states receiving UI REA grant funds must develop a statistically valid methodology for identifying a comparison group, such as a random assignment methodology. A description of the methodology to be used is not required to be included in the state’s UI REA proposal. As needed, ETA will provide states with technical assistance in developing an appropriate comparison group methodology to ensure that the comparison group will provide an accurate population for assessing the results of the state’s UI REA program. States may contact their ETA Regional Office to request that a conference call be conducted with ETA National Office staff for assistance. Once the design has been identified, new states should submit a description of the process to the ETA Regional and National offices.
- F.** The state must submit timely UI REA required reports, ETA 9128 and ETA 9129 (OMB approval No. 1205-0456). These reports are due on the 20th day of the second month following the end of the reporting quarter. Schedules for the submission of each report are provided in ET Handbook No. 401. These reports capture specific data about the UI REA program participants and the comparison group. States are expected to create methods that provide the necessary cross-program coordination that ensures data quality. States submitting UI REA proposals for the first time should request funds to develop these required reports. States that currently operate a UI REA program have previously received funds for the development of these reports.
- G.** The state must agree to participate in any ETA funded studies of the effectiveness of the UI REA program. Results may be used for a report(s) to Congress. States are also expected to participate in periodic UI REA conference calls and webinars to facilitate information sharing and technical assistance.

Furthermore, in FY 2011, ETA initiated several significant changes in the UI REA program to require that states fully integrate their UI REA program with WIA-funded workforce investment services and to move towards a more uniform UI REA program nationally, as explained in UIPL No. 10-11. These additional guidelines are:

- H.** States must provide each UI REA participant one-on-one service in the initial UI REA and any subsequent UI REA for the eligibility review and the development of an individual reemployment plan.
- I.** States must provide a breakout of all proposed UI REA activities by either group or individual service and must designate any activities that will be conducted by telephone.
- J.** States must contact UI REA participants no later than the fifth week of the claim and promptly schedule them for a UI REA. The fifth week in the claim series means the fourth week after the week in which the claimant files an initial claim. If the claimant has not yet established monetary eligibility for benefits or is not yet eligible because, for example, a nonmonetary issue is pending adjudication, the claimant should be selected during the first week that s/he claims benefits after being determined eligible for benefits.
- K.** After completing an initial UI REA in person at the One-Stop Career Center, states that conduct subsequent UI REAs for the same individual(s) may conduct these subsequent UI REAs by telephone, if appropriate. The proposal must identify activities that are conducted by telephone and provide the associated costs.
- L.** Up to three UI REAs for each individual claimant may be funded by the UI REA grant. Multiple UI REAs that exceed the initial UI REA and two subsequent UI REAs per individual may not be funded.
- M.** States must address the new ETA vision of reemploying UI claimants through an integrated/interconnected workforce system in their UI REA grant proposals.
- N.** States must submit a copy of the MOU or other agreement that is developed with service partners for the UI REA program. The agreement or MOU must confirm that the UI and workforce service providers, including state and local service partners, have agreed to collaborate to ensure that the requirements of the UI REA program have been met.
- O.** States must include cost estimates for completed UI REAs and for scheduled UI REAs that are not completed, for example, as when claimants fail to report for scheduled UI REAs.
- P.** If a UI REA is not completed, claimants may be rescheduled. Eligibility issues must be adjudicated if the claimant fails to report and claims UI payment for the week in which the UI REA was scheduled.

- Q.** States that conduct multiple UI REAs for the same individual(s) must include all of the required UI REA activities in each UI REA and must provide cost estimates for both the initial and the subsequent UI REAs. In general, subsequent UI REAs are expected to require less time and resources to complete as it is not necessary to repeat the orientation session. Subsequent UI REAs must include an eligibility review, review and updating of the claimant's individual reemployment plan, the provision of labor market information if changes so dictate, and referral to reemployment services or training.

7. UI REA Required Reports. Accurate reporting is critical to the success of the UI REA program. Funding is based upon the number of UI REAs scheduled; activities related to these UI REAs are reported on the ETA 9128. The outcomes report measures the results of both the UI REA treatment group and the comparison group and the outcomes are reported on the ETA 9129. This measurement quantifies the differences between claimants who have been selected to participate in a UI REA and a group of claimants who have similar characteristics but have not been selected to participate. This crucial data is used for reports to Congress on the UI REA program and for budgeting purposes. States submit both reports on a quarterly basis and are responsible for ensuring that the data reported is accurate and the reports are submitted timely. These data are entered into the UI Web-based reporting system. Reporting instructions for both reports are contained in ET Handbook No. 401, and the edits for these reports are contained in ET Handbook No. 402.

8. Proposal Format and Instructions. The format and instructions for preparing the UI REA grant proposals are provided in the attachments to this UIPL. Attachment A provides the guidance for states that have not received a UI REA grant before this fiscal year. Attachment B contains the elements that must be included in an abstract that must accompany all proposals. Attachment C is the information required from states currently operating a UI REA program. All pages in the state's proposal should be numbered.

Each proposal should contain the name and telephone number of the state Administrator who is to be notified of approval of the grant. Proposals should also include the name, telephone number and e-mail address of the individual who can respond to questions about the proposal.

Standard Form (SF)-424 (OMB 4040-0004) and SF-424A (OMB 4040-006) must be submitted for all UI REA grants. The SF-424A requires a breakout of object class categories in item 6 of section B - Budget Categories. The breakouts must match the proposed expenditures.

9. Funding Priority. Funds will be awarded in the following sequence:

- A.** Fund new states at the minimum level (see Attachment A, Section 2.A.),
- B.** Fund ongoing states at 10,000 or below to expand to a higher level in increments of 10,000, and
- C.** Fund new states to implement at a level greater than 10,000 in increments of 10,000.

Expansions will be based upon the state's percentage of the national initial claims workload. States may be denied an expansion of funding if they have:

- A. Not implemented the program as required,
- B. Significant reporting errors and/or an incorrect control group, or
- C. Not demonstrated positive results for multiple reporting periods.

10. UI REA Grant Scoring Criteria for New UI REA Programs. The UI REA scoring criteria are explained in Attachment A and apply to states that have not previously operated a UI REA program. The highest scoring proposal will be funded first followed in sequence by those with lower scores until all available funds are exhausted. States must follow the proposal outline in Attachment A and submit an abstract containing the information in Attachment B. Each element of the proposal is important and should be addressed completely. Proposals should explain how the proposed program will work and include complete names and titles rather than acronyms and form numbers. Proposals scoring fewer than 80 points will not be funded.

11. UI REA Grant Awards to States to Continue UI REA Programs. As described in section 4, states currently operating a UI REA program should submit an abstract containing the information in Attachment B and provide the information requested in Attachment C. These proposals will not be scored but will be evaluated under the guidelines provided and funded after review and consultations with the states, if needed.

12. UI REA Proposal Procedures. States are encouraged to work with ETA Regional Office staff while they are developing their proposals and should ensure that:

- A. The UI REA program design meets the needs of UI claimants;
- B. UI and One-Stop Career Center staff work cooperatively in planning, developing, testing, and implementing this program;
- C. The proposed expenditures are justified and appropriate; and
- D. The state is prepared to develop systems for collecting data for the required reports.

13. Timelines.

- A. States must submit proposals to the National Office by March 19, 2012.
- B. Award notifications will be issued by April 13, 2012.
- C. States must submit an SF-424 signed by the Agency Administrator and a SF-424A with the proposal. If any changes are required after review of the proposal, revised forms or proposals will be required before award of the grant funds.

14. Action Requested. State Administrators are requested to:

- A. Provide information contained in this UIPL to appropriate staff.
- B. Send, via e-mail, an electronic copy of the proposal and a summary of the UI REA Grant proposal to ows.sbr@dol.gov.

15. Inquiries. Questions should be directed to the appropriate Regional Office.

16. Attachments.

- 1. Attachment A - Unemployment Insurance (UI) Reemployment and Eligibility Assessment (REA) Proposal Outline for First Year UI REA Grants
- 2. Attachment B - Elements of an Unemployment Insurance (UI) Reemployment and Eligibility Assessment (REA) Grant Proposal Abstract
- 3. Attachment C - Unemployment Insurance (UI) Reemployment and Eligibility Assessment (REA) Proposal Outline for Continuing States
- 4. Attachment D – The Unemployment Insurance (UI) Reemployment and Eligibility Assessment (REA) Data Concerns