

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U. S. Department of Labor Washington, D.C. 20210	CLASSIFICATION UI
	CORRESPONDENCE SYMBOL OWS/DUIO
	DATE August 9, 2006

ADVISORY: **UNEMPLOYMENT INSURANCE PROGRAM LETTER 30-06**

TO: **STATE WORKFORCE AGENCIES**

FROM: **EMILY STOVER DeROCCO /s/
 Assistant Secretary**

SUBJECT: **Fiscal Year (FY) 2007 Unemployment Insurance (UI) Reemployment
 and Eligibility Assessments (REA) Grants**

1. **Purpose.** To announce anticipated FY 2007 funds for selected State Workforce Agencies (SWAs) to continue to operate REA programs and for additional states to implement REA programs; to invite the submission of state proposals; and to provide the guidelines for developing the proposals and criteria governing the use of these funds.

2. **References.** Regional Office issuances regarding the Reemployment and Eligibility Assessments for FY 2005 and FY 2006; Federal Register Notice Volume 70, Number 163, dated August 24, 2005; ET Handbook No. 401; ETA Occasional Paper No. 2004-01, Internet Initial Claims Evaluation - Section V. Reemployment Assistance and Continuing Eligibility; ETA Occasional Paper No. 2002-09, Significant Improvement Grants for the Provision of Reemployment Services for UI Claimants; and ETA Occasional Paper No. 2000-01, Unemployment Insurance in the One-Stop Delivery System.

3. **Background.** Reemployment of UI claimants and minimizing erroneous payments are high priorities for the UI program. A number of studies have found that attention to UI beneficiaries' efforts to find new jobs and attention to their reemployment service needs result in relatively shorter claim durations and fewer erroneous payments.

In FY 2006, 20 states operated REA initiatives. These states will be given the opportunity to continue their REA initiatives if sufficient FY 2007 funds are appropriated for this purpose; however, they must apply for an REA grant for FY 2007 to receive continued funding.

RESCISSIONS None	EXPIRATION DATE August 9, 2007
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In anticipation of an FY 2007 appropriation that includes funds requested in the President's Budget to conduct UI REAs, additional states also are invited to submit REA proposals. The additional UI REA grants will be awarded to states on a competitive basis to implement programs meeting the criteria described in Section 5 below.

4. **FY 2007 Funding.** Based on the amount of funds anticipated in FY 2007, as many as 20 additional states may be funded to implement UI REA initiatives. The amount of each selected state's award will be determined by the number of expected assessments and the state's estimated cost to conduct an assessment. The final appropriation will determine the number of states funded and the level of funding.
5. **Guidelines.** Funds must be used for reemployment and eligibility assessments for UI beneficiaries and are not intended to supplant UI grant funds devoted to eligibility reviews. The REA initiative does not have to be implemented statewide, and assessments are to be conducted only for beneficiaries who do not have a definite return-to-work date.

The following guidelines also apply:

- a. Reemployment and eligibility assessments for UI beneficiaries must be staff-assisted and conducted in-person at One-Stop Career Centers. Beneficiaries must be required to report in-person to the One-Stop Career Center within a specified period of time as a part of the assessment.
- b. Assessments must include:
 - labor market information/work-search plan development/review;
 - referral to employment services (e.g. job search assistance workshops or job placement services) and to skill or occupational training when appropriate; and
 - eligibility issue detection and referral to adjudication when appropriate.
- c. The SWA must provide the required REA reports, the ETA 9128 Reemployment and Eligibility Assessments Activities, and the ETA 9129 Reemployment and Eligibility Assessments Outcomes reports.
- d. The SWA must agree to participate in a DOL-funded study of the effectiveness of this UI REA initiative. Results from this study may be used to prepare a report to Congress about the REA initiative.

States applying for REA grants should keep in mind that the grants come from funds appropriated to administer state UI laws; therefore, they may not be used for reemployment services. Providing general information about the labor market, developing a work search plan, assessing an individual's need for reemployment services, and making referrals to reemployment services are a part of the UI program's responsibilities for assuring that

claimants are doing what a reasonable person in his or her circumstances should do to find suitable work and are an integral part of REAs. However, reemployment services such as resume writing or interviewing workshops and job finding/placement activities are not permissible uses of UI grant funds.

As part of the REA grants, states will be required to provide data to assess the effectiveness of the REA program. Measures of program effectiveness are derived by comparing REA program participants with a similar group of claimants who did not participate in the REA program. States receiving REA grant funds must agree to develop a methodology for identifying a comparison group; however, the specific methodology to be utilized is not required to be included in the state's REA proposal. Upon receipt of the grant award, and as needed, DOL will provide states with technical assistance in developing an appropriate comparison group methodology. DOL will work with states early in the grant period to ensure that the comparison group provides an accurate population for assessing the results of the state's REA initiative.

States must collect and report specific data elements about the REA program participants and the comparison group. The ETA 9128 Reemployment and Eligibility Assessments Activities, and the ETA 9129 Reemployment and Eligibility Assessments Outcomes were approved by the Office of Management and Budget (OMB) under Paperwork Reduction Project No. 1205-0456 which expires on March 31, 2009.

- 6. Proposal Format and Instructions.** The format and instructions for preparing the UI REA grant proposals are provided in the following attachments: Attachment A provides the guidance for states that have not received an REA grant; Attachment B provides the guidance for states that received a prior REA grant. All pages in the proposal should be numbered.

Each proposal should contain the name and telephone number of the person who is to be notified of approval of the grant. In most instances, this individual will be the Administrator of the SWA.

Completed Standard Forms (SF) 424 (Revised 10-2005), and SF 424A must be submitted within 10 days of the notification of the grant award. 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 for the number of UI REA interviews for which the state will be funded.

- 7. UI REA Grant Scoring Criteria.** UI REA scoring criteria are explained in Attachment A. Proposals from states that did not participate in the REA initiative during FY 2006 will be scored to establish the sequence of funding. SWAs must follow the proposal outline. Each element of the proposal is important and should be addressed completely. Proposals should explain clearly how the proposed program will work and include complete names and titles rather than acronyms and form numbers. Proposals with the highest scores will be funded first, and funding will continue sequentially until all available funds are exhausted. Proposals scoring less than 80 will not be funded.

8. **UI REA Grant Evaluation Criteria.** Selected states must agree, if asked, to participate in a study to determine the effectiveness of the reemployment and eligibility assessments.
9. **SBR Procedures.** SWAs are encouraged to work with Regional Office staff, if needed, while they are developing proposals.

SWAs should ensure:

- a. The UI REA project design meets the needs of UI claimants;
 - b. UI and One-Stop Career Center staff will cooperate in planning, developing, testing, and implementing reemployment projects;
 - c. The proposed expenditures are appropriate; and
 - d. It will be possible for the state to provide the required reports data.
10. **Time Lines.**
 - a. The SWA must submit its proposal to the National Office by September 8, 2006.
 - b. The evaluation panel will complete its evaluation and recommendations by September 26, 2006.
 - c. Final selection and required notifications will be made prior to December 1, 2006, or within 20 days after enactment of FY 2007 appropriations for state UI operations.
 - d. SWAs must submit an SF 424 and 424A within 10 days of notification of selection.
 - e. Grant awards will be made with the final allocation of each selected state's FY 2007 budget if the appropriation includes such funds.
 - f. Deadline for UI REA grant obligation is December 31, 2007; and the deadline for liquidation/expenditure is 90 days later.

11. **Action Required.** SWA Administrators are requested to:
 - a. Provide information contained in this Unemployment Insurance Program Letter to appropriate staff.
 - b. Send the original and two copies of each proposal (or one electronic copy) to the Office of Workforce Security, Division of Unemployment Insurance Operations, no later than September 8, 2006. Proposals should be sent electronically to the following e-mail address: ows.sbr@dol.gov or to the Office of Workforce

Security, 200 Constitution Ave. NW, S -4231, Washington, DC 20210 to the attention of Diane Wood.

- c. Upon notification of the approval of the grant, SWAs will be asked to submit a SF 424 and SF 424A, signed by the SWA Administrator, at the appropriate level of funding.
- 12. Inquiries.** Direct questions to Diane Wood at 202-693-3212, or wood.diane@dol.gov.
- 13. Attachments.**
- A. UI REA Proposal Outline for First Year REA Grants
 - B. UI REA Proposal Outline for Second and Third Year REA Grants