

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U. S. Department of Labor Washington, D.C. 20210	CLASSIFICATION UI
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ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER 30-06

TO: STATE WORKFORCE AGENCIES

FROM: EMILY STOVER DeROCCO
Assistant Secretary 

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

- 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.
- 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.
- 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.

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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

UI REA PROPOSAL OUTLINE FOR FIRST YEAR REA GRANTS

1. UI REA Grant Proposal. The format below must be used for the UI REA grant proposal by states that have not received an REA grant in the past. The State Workforce Agency's (SWA's) submission of a grant proposal means it agrees to participate in a U.S. Department of Labor study of the effectiveness of the UI REA initiative. Each project should include a contact name, telephone number, and e-mail address for the REA program manager.
2. Expenditures and Schedule. Proposals must include a description of proposed expenditures and a projected schedule for significant project activities. Any proposed expenditures that do not address all of the required information will be deducted from the grant allocation.
3. Scoring Elements. The following elements are used to score the proposal. Each element is important and should be addressed fully in the proposal. Proposals must have a score of 80 points or more to be recommended for funding. Proposals should use the following format.
 - a. Project Costs. The proposal should include both fixed minimum costs and incremental costs which, if funded, would allow the state to expand the project to serve a larger number of claimants. Costs should include the projected costs for programming the ETA 9128 and the ETA 9129 reports as a one-time cost. Reporting instructions can be found in ET Handbook No. 401. This information should be used to determine the approximate programming time for developing REA reports. The costs for programming these reports should be clearly identified in the project costs.
 - i. Fixed Minimum Costs. The proposal should describe the costs to implement the UI REA program and conduct the first 10,000 assessments. This should include staff costs, contract staff costs, and the costs of any equipment needed to implement the system. Costs may include activities such as gathering the required management information, programming the selection of claimants, as well as delivering the services to claimants.
 - ii. Incremental Costs. The proposal should also provide the costs for performing assessments in addition to the initial 10,000. These costs should be expressed as costs per 10,000 assessments. States that do not wish to perform more than 10,000 assessments may omit this information. Incremental costs will likely consist primarily of costs related to service delivery (i.e., conducting the REA) rather than costs such as development of management information systems.

- iii. Staff Needs. The proposal should identify both one-time SWA staff needs (in excess of base staff) and any contract staff needs. Staff needs should include the type of position, the expected number of staff hours, and the projected hourly cost. States should identify staff costs for developing REA reports and programming requirements separate from the costs for providing REAs to claimants. SWAs should include information in the following format for all staff requests.

Position Title	# Hours	Cost Per Hour	Total Cost
Claims Adjudicator	120	\$50	\$6,000

Any staff costs must be for staff in excess of staff funded by the SWAs base grant. When staff is assigned to the UI REA grant project and the vacated position is backfilled by another individual who is not funded under the base grant, this results in the addition of a second staff member. In this case, the cost of the UI REA grant staff activities can be funded as the backfilled position incurs the base staff funding. Costs incurred by SWA staff assigned to the project on a temporary basis cannot be funded by the UI REA grant unless additional costs are incurred.

If contract staff is requested, documentation should include the type of position, estimated contract staff hours, anticipated costs per hour, and total cost.

- iv. Other. Include costs for other activities and/or equipment not identified above. Each cost should be broken down to the specific cost item with a description of each cost and the associated costs for each item requested.

The weight of this element is 15 percent of the total score.

- b. Project Design. A description of the UI REA project should address all key aspects of the design concerning the active interaction between UI and any other One-Stop Career Center staff providing UI REA services. At a minimum the following questions should be answered:

- How will beneficiaries be selected for the assessments?
- What are the proposed staffing arrangements for assessments at the One-Stop Career Center facility (e.g., assessments will be performed by UI staff, "contracted" staff or others)?
- How will beneficiaries be referred to reemployment services and/or to UI adjudication staff, as appropriate?

- How will assessments be structured? Describe how the beneficiaries will participate.
- How will information be shared among UI and other parties, and how will the work search/service plans and activities be documented? For example, if service plans are developed, what will they include and what will be the beneficiaries' responsibilities? If service plans are not developed, how will information be documented?
- What feedback loop will provide information to the UI program about the results of referrals to reemployment services?
- Describe any additional factors not covered in this list that will be a part of the project.

The weight of this element is 45 percent of the total score.

- c. Projected Performance Improvements. The proposal should identify the areas in which UI program performance is expected to improve through implementation of the proposed project. It should identify the magnitude of the work to be accomplished in terms of the beneficiary population to be served. The proposal should state clearly how the project may improve program operations, including a brief description of what services are generally provided to the selected beneficiary population under current staffing. If the SWA has done any study of the unmet service needs of this beneficiary population, these findings should be included. If the SWA has information to show that the projected assessments should lead to a reduction in overpayments or the average benefit duration, or faster reemployment, this information should also be included in the narrative.

The weight of this element is 15 percent of the total score.

- d. Estimated Time and Cost for Each Assessment. Provide an estimate of the time and the cost for each assessment. If appropriate, varying levels of service may be specified in conjunction with varying costs, e.g., beneficiaries who are determined to be "job ready" may cost less to serve. Sufficient information should be provided to illustrate how the SWA determined the projected staff costs and projected staff time for the various components of the assessment that were used to determine the maximum number of assessments that could be accomplished based upon the grant amount requested.

The weight of this element is 15 percent of the total score.

- e. Project Timeline. A timeline of the project should be included identifying each significant step, including project design and implementation. Any programming requirements necessary to select and track participating beneficiaries should be included in the timeline.

The weight of this element is 10 percent of the total score.

UI REA PROPOSAL OUTLINE FOR SUBSEQUENT YEAR REA GRANTS

1. UI REA Grant Proposal. The format below must be used for the UI REA grant proposal by states that have received an REA grant(s) in the past. The State Workforce Agency's (SWA's) submission of a grant proposal means it agrees to participate in a U.S. Department of Labor study of the effectiveness of the UI REA initiative. Each project should include a contact name, telephone number, and e-mail address for the REA program manager.

2. Expenditures and Schedule. All proposals must include projected costs at the level of 10,000 REAs or lower, and at any higher level if the state proposes to complete more than 10,000 REAs. This requirement applies also to states that completed more than 10,000 REAs in FY 2006. Proposals must include a description of proposed expenditures and a projected schedule for significant project activities. Any proposed expenditures that do not address all of the required information will be deducted from the grant allocation.

3. Required Information. The SBR should fully address the items listed below, using the following format:
 - a. Project Costs. The proposal should include both fixed minimum costs and incremental costs which, if funded, would allow the state to expand the project to serve a larger number of claimants.
 - I. Fixed Minimum Costs. The proposal should describe the costs to continue the UI REA program and conduct the first 10,000 assessments. This should include staff costs, contract staff costs, and the costs of any equipment needs. Costs may include activities such as gathering the required management information as well as delivering the services to claimants.
 - II. Incremental Costs. The proposal should also provide costs per 10,000 assessments. States that do not wish to perform more than 10,000 assessments may omit this information. Incremental costs will likely consist primarily of costs related to service delivery (i.e., conducting the REA).
 - III. Staff Needs. The proposal should identify both SWA staff needs (in excess of base staff) and any contract staff needs. Staff needs should include the type of position, the expected number of staff hours, and the projected hourly cost. States should identify staff costs for developing and programming REA reports separate from the costs for conducting the REAs. SWAs should include information in the following format for all staff requests.

Position Title	# Hours	Cost Per Hour	Total Cost
Claims Adjudicator	120	\$50	\$6,000

Any staff costs must be for staff in excess of staff funded by the SWAs base grant. When staff is assigned to the UI REA grant project and the vacated position is backfilled by another individual who is not funded under the base grant, this results in the addition of a second staff member. In this case, the cost of the UI REA grant staff activities can be funded as the backfilled position incurs the base staff funding. Costs incurred by SWA staff assigned to the project on a temporary basis cannot be funded by the UI REA grant unless additional costs are incurred.

If contract staff is requested, documentation should include the type of position, estimated contract staff hours, anticipated costs per hour, and total cost.

4. Other. Include costs for other activities and/or equipment not identified above. Each cost should be broken down to the specific cost item with a description of each cost and the associated costs for each item requested.
- b. Project Design. States should review their previously approved REA proposals and describe any changes that the state would like to implement based upon a second year of REA experience. The state's prior proposal should have included answers to the following questions addressing the interaction between UI and One-Stop Career Center staff providing UI REA services. If any changes to the state's REA program are anticipated, states must explain these changes.
- How will beneficiaries be selected for the assessments?
 - What are the proposed staffing arrangements for assessments at the One-Stop Career Center (e.g., assessments will be performed by UI staff, "contracted" staff or others)?
 - How will beneficiaries be referred to reemployment services and/or to UI adjudication staff, as appropriate?
 - How will assessments be structured? Describe how the beneficiaries will participate.
 - How will information be shared among UI and other parties and how will the work search/service plans and activities be documented? For example, if service plans are developed, what will they include and what will be the beneficiaries' responsibilities? If service plans are not developed, how will information be documented?
 - What feedback loop will provide information to the UI program about the results of referrals to reemployment services?
 - Describe any additional factors not covered in this list that will be a part of the project.

For changes that were made and agreed to as a part of the FY 2006 grant agreement, states should submit a copy of the last modification. If no changes were made, states do not need to submit this information.

- c. Management Information. An activity report and an outcomes report will be required from states participating in the REA program. The outcomes report will address both REA participants and the comparison group. Reporting instructions can be found in ET Handbook No. 401.
- d. Performance Improvements. The proposal may identify the areas in which UI program performance improved through implementation of the REA initiative although this information is not required. For example, if the SWA has information to show that the assessments led to a reduction in overpayments or benefit durations, or resulted in speedier reemployment, this information should be included in the narrative. If the SWA conducted a study of the unmet service needs of this beneficiary population, these findings may be included. States applying for a subsequent year REA are not required to address performance improvements but are encouraged to share any finding that could be useful to other states.
- e. Estimated Time and Cost for Each Assessment. Sufficient information should be provided to illustrate how the SWA determined the projected staff costs and projected staff time needed for the various components of the assessment. If a state changes the time and cost estimates for each REA from estimates provided in its 2006 proposal, it must provide an explanation for the change(s). If appropriate, varying levels of service may be specified in conjunction with varying costs, e.g., beneficiaries who are determined to be "job ready" may cost less to serve.