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ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 10-14

TO: STATE WORKFORCE AGENCIES

FROM: ERIC M. SELEZNOW /s/
Acting Assistant Secretary

SUBJECT: Fiscal Year (FY) 2014 Unemployment Insurance (UI) Reemployment and Eligibility Assessment (REA) Grants

1. **Purpose.** To invite state workforce agencies to submit proposals for a grant to continue or to implement a UI REA program, and to provide guidelines for FY 2014 UI REA grants.

2. **References.**

- Consolidated Appropriations Act, 2014, Public Law 113-76, Div. H, Title I;
- Unemployment Insurance Program Letter (UIPL) No. 17-13, *Fiscal Year (FY) 2013 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: (OMB number 1205-0456);
- 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 Guidance Letter (TEGL) No. 36-11, *Announcement of American Job Center Network*;
- Training and Employment Notice (TEN) No. 31-09, *Cross-Program Collaboration for Reemployment and Eligibility Assessment (REA) Grants*;
- Webinar - *Nevada's Reemployment and Eligibility Assessment (REA) Program and Minnesota's Advanced REA Automation Tool*, available at <https://www.workforce3one.org>; and
- Webinar - *Reemployment and Eligibility Assessment (REA) Program Innovations in Tennessee and Utah*, available at <https://www.workforce3one.org>.

3. **Background.** The UI program provides a core service in the comprehensive, integrated workforce system by providing temporary financial assistance to eligible workers during periods of unemployment. The reemployment needs of UI claimants and the prevention and detection of UI improper payments are addressed through the UI REA program. Both activities are high priorities for the U.S. Department of Labor's (Department) Employment

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and Training Administration (ETA). The UI REA program provides claimants an entry point to a full array of services available at American Job Centers (AJCs), and ensures that claimants comply with all UI eligibility requirements. Individuals filing UI claims are active job seekers who, through the state's UI REA program, are made aware of a variety of available reemployment services and are referred to services that are appropriate. In FY 2013, a total of 41 states operated a UI REA program.

REA services may be delivered by UI staff, Wagner-Peyser staff, Workforce Investment Act (WIA) staff, or other AJC staff. The UI eligibility review is a key part of the REA for program integrity purposes, and if UI staff does not conduct the eligibility review, the service delivery staff must be trained to identify all potential eligibility issues. Resolution of eligibility issues must be conducted by UI merit staff. All eligibility determinations and redeterminations are funded through the regular funding for non-monetary determinations and not through the UI REA grant.

Data are collected on state UI REA workload activities and on program outcomes. States establish an REA treatment group and a comparison group to measure outcomes. ETA will continue working with states to improve the quality of UI REA data required for administration of the program. The data are used to assess the value of the UI REA program in the states and nationally.

4. **FY 2014 Funding.** The Consolidated Appropriations Act, 2014, appropriates a minimum of \$80 million for 2014 UI REA funding. States interested in implementing a new UI REA program are strongly encouraged to apply for REA funding. States with existing UI REA programs are also strongly encouraged to apply for grants to continue their programs. Requests to expand an existing UI REA program may be funded if funds are available. Expansions may include adding AJCs that are not currently participating or providing assessments to a larger number of claimants in participating AJCs.

States participating in the Department's evaluation of the UI REA program may submit requests for a grant modification when their study design has been determined. Study designs may include a treatment group that receives a partial REA that does not include all of the required REA elements for a first/full REA and, thus, costs for these treatments will be less than costs for a full REA and a comparison of multiple vs single REAs. Modifications will address the time period during which the state participates in the study.

- A. **New UI REA State Programs.** Proposals for new UI REA programs should provide the information requested in Attachment A, *Unemployment Insurance (UI) Reemployment and Eligibility Assessment (REA) Proposal Outline for First Year UI REA Grants*, as well as an abstract of the proposal containing the elements listed in Attachment B. In the proposals states should include only the information identified in this UIPL.

New proposals should include start-up costs and costs related to programming the UI Required Reports, the Reemployment and Eligibility Assessment Workload Report (ETA 9128) and the Reemployment and Eligibility Assessments Outcomes Report, (ETA 9129) (OMB approval No. 1205-0456 for both reports).

New states should budget for the obligation of UI REA funds within one year of the date of program implementation. The program implementation date is the date that the first UI REA participant in the state is scheduled to report to an AJC 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. Many of the start-up costs, such as costs for programming the required reports and training staff, will occur before the program has been implemented in the AJC and are included in the initial grant.

- B. Continuing UI REA State Programs.** The deadline specified by the Grant Officer on the Notice of Obligation for the obligation FY 2013 funds is September 30, 2014. Funds must be liquidated within 90 days of that obligation deadline.

The performance period for FY 2014 UI REA grants begins on April 1, 2014, and ends on March 31, 2015. This is the time during which the funds are to be obligated. However, to allow for potential changes that might occur, the deadline specified by the Grant Officer on the Notice of Obligation for the obligation of these funds will be shown as September 30, 2015. All estimated cost figures for proposals for FY 2014 UI REA grants should be based on this time period. Any prior year funds remaining unobligated after March 31, 2014, should be applied to the ongoing UI REA workload before the using the FY 2014 UI REA grant funds.

Each UI REA grant is based upon the number of REAs that the state proposes to schedule and the costs estimated by the state. States that have not scheduled the number of REAs that were funded in FY 2013 should use the remaining FY 2013 funds to complete the projected workload and request funding for the balance of the FY 2014 UI REA grant period. All continuing UI REA states must determine whether any FY 2013 UI REA funds will not be obligated by March 31, 2014, provide this information in their FY 2014 UI REA grant application, and ensure that all FY 2013 UI REA funds are obligated before obligating FY 2014 UI REA funds.

Proposals from states currently operating a UI REA program must provide an abstract of the proposal using Attachment B, *Elements of an Unemployment Insurance (UI) Reemployment and Eligibility Assessment (REA) Grant Proposal Abstract*, as well as the information requested in Attachment C, *Unemployment Insurance (UI) Reemployment and Eligibility Assessment (REA) Proposal Outline for States Continuing a UI REA Program*, and in Attachment D, *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 to write about the accuracy of their UI REA data. States must review their UI REA data with a focus on identifying any inaccurate data. The state's proposal must identify the errors in the quarterly Reemployment and Eligibility Assessment Workload Report (ETA 9128) and the quarterly Reemployment and Eligibility Assessment Outcomes Report (ETA 9129), describe the state's plans to correct the data, and provide a schedule of corrective actions.

States experiencing ongoing difficulties in reaching the workload and/or minimum comparison group level projected in their FY 2013 UI REA proposals should request a lower level of funding in FY 2014 than was provided in FY 2013.

Proposals will be reviewed based solely on the information required in the application. States should include only the required information.

- 5. Basic UI REA Guidelines.** UI REA funds must be used to assess the continued eligibility and reemployment needs of UI claimants. These funds must not supplant ongoing UI grant funds devoted to the state's eligibility review program. The Worker Profiling and Reemployment Services (WPRS) program remains mandatory and states must serve WPRS participants in addition to REA participants. WPRS claimants are identified as individuals most likely to exhaust their benefits and they are served under the WPRS program rather than the REA program. Claimants who are selected for WPRS must be excluded from both the UI REA treatment and comparison groups.

States are not required 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. States should also exclude claimants who secure work only through a union hiring hall.

By applying for UI REA funding, states are agreeing to integrate the UI REA program with WIA and Wagner-Peyser funded reemployment services. Each completed REA will include a referral to a reemployment service and/or training. Reemployment services such as résumé writing or interviewing techniques workshops and job placement activities are an extension of the UI REA program, but they must be funded through other sources such as Wagner-Peyser or WIA funds. Costs for the delivery of reemployment services must not be included in the state's proposed use of UI REA grant funds.

UI staff must be engaged in REA planning, administration, and oversight as well as appropriate staff training on UI eligibility requirements. While a full-time UI position may not be required, UI staff must be available and involved in the REA functions discussed above. States that have not had UI involvement in the REA program have experienced problems. In some instances, REA staff members have had insufficient training to conduct a thorough eligibility review and detect eligibility issues requiring adjudication. This can result in improper payments. Further, many states that have not had sufficient UI staff participation have been unable to submit accurate ETA required reports. The ETA 9128, Reemployment and Eligibility Assessment Workloads Report and the ETA 9129, Reemployment and Eligibility Assessments Outcomes Report should be reviewed for accuracy each calendar quarter by the UI team member in addition to being reviewed by the REA team leader.

UI REA programs are an integral part of states' strategies for delivering reemployment services. ETA encourages 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. Required REA Services. 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 an AJC to receive the services identified in section C below;
- The provision of labor market and career information that is specific to the claimant's needs;
- Registration with the state's job bank;
- Orientation to AJC services;
- Development or review of an individual reemployment plan that includes work search activities, accessing services provided through an AJC or using self-service tools, and/or approved training; and
- Referral to at least one reemployment service and/or training.

States must provide each UI REA participant one-on-one service for the eligibility review and the development of an individual reemployment plan during the initial UI REA and any subsequent UI REA.

B. Service Delivery Design. States may determine who is chosen for the UI REA treatment group with the following exceptions. Claimants who have a definite return-to-work date must be excluded. In addition, states must exclude claimants who seek work solely through a union hiring hall. Many states have elected to serve claimants who are at a mid-range in the WPRS model selection. These individuals may benefit from participation in the REA program and are not likely to need long-term and intensive services. Claimants with job skills that are in high demand may also be targeted. This methodology requires consistent updates as the labor market changes.

States have flexibility in identifying staffing options for the delivery of UI REAs. Different skill sets are needed to do the UI eligibility assessment than those needed to develop a reemployment plan and make appropriate referrals to receive reemployment services at AJCs and/or training. If the state decides to use only UI or only Wagner-Peyser or WIA staff to do UI REAs, states must ensure that the staff assigned has the necessary training and that UI staff are involved in such training.

States that conduct multiple UI REAs for the same individual(s) must provide cost estimates for both the initial and the subsequent UI REAs. In general, subsequent UI REAs 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.

Once the state notifies a claimant that s/he has been selected for a UI REA, participation in the UI REA is mandatory. If a claimant fails to report for any UI REA without

notifying the state beforehand, the state must refer the issue of the claimant's failure to report to the appropriate UI staff to be adjudicated under state law.

With respect to the scheduled REAs, states must report initial outcomes for 100 percent of the scheduled REAs that are reported on the ETA 9128 report. Each claimant scheduled for an REA will either participate in the REA or fail to participate; therefore, each scheduled REA must be reported in one of these two outcomes. Rescheduled REAs should be counted as another scheduled REA and the results are reported when the claimant participates or fails to participate in both the initial and the rescheduled REA.

UI claimants must report in person to an AJC for staff-assisted services for the initial UI REA. If a subsequent UI REA is conducted by telephone, state UI REA staff must ensure that both they and the claimant have access to the claimant's individual reemployment plan for review and updating. The proposal must identify activities that are conducted by telephone and the associated costs. The claimant's activities must be reviewed, and any proposed changes, along with the concurrence of the claimant, must be documented.

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 may be selected during the first week that s/he claims benefits after being determined eligible for benefits. It is not required that claimants who are not initially eligible be included in the treatment or comparison group.

Up to three UI REAs for each individual claimant may be funded by the UI REA grant. States should focus their UI REA programs on helping claimants return to work as quickly as possible by providing comprehensive guidance and assistance to claimants during the initial UI REA. States must also provide clear and complete information that claimants need to access appropriate reemployment services. A second and third REA may be avoided if the claimant returns to work as a result of the initial REA. Additional UI REAs for an individual who has received the initial UI REA and two subsequent UI REAs cannot be funded under the grant.

Funding for each individual UI REA may not exceed 2 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:

$$90 \text{ minutes per member} \times 2 \text{ staff members} = \frac{180 \text{ minutes}}{10 \text{ participants}} = 18 \text{ minutes per REA}$$

C. Administrative Processes. States must establish or renew an agreement or Memorandum of Understanding (MOU) with the selected service provider organization to address the requirements of the FY 2014 UI REA program. 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 at AJCs 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 AJCs such as self-assessments, education and training information, interviewing techniques, networking, career exploration, and online 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 if needed, and/or approved training.

New states must submit a copy of the MOU or provide the date when it will be submitted. Continuing UI REA states must certify that a MOU or other agreement has been signed by all service partners for the UI REA program and remains in place. 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 will be met. This includes providing appropriate reemployment services to REA participants and providing the data that is needed for the ETA required reports.

D. UI Feedback Loop and Adjudication. Once selected for an REA, claimants are required to participate in all components of the UI REA. Failure to report or participate in any aspect of the UI REA must result in referral 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 good 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. As explained in Attachment A and Attachment B and as previously required, states must include in their proposals:

- A feedback loop from the AJC to the UI system as to whether the claimants reported as directed and participated in the minimum activities outlined in their reemployment plan;
- A feedback loop must be established to refer any eligibility issues uncovered in the eligibility review for adjudication, and
- A process for referring to adjudication UI claimants selected for UI REAs who failed to report for them without contacting the agency.

E. Performance and Reporting. A measure of program effectiveness is derived from comparing outcomes of UI REA program participants with outcomes from a similar group of claimants who did not participate in the UI REA program. States must establish both a treatment group and a valid comparison group, as discussed in paragraph 6 below. New states must also implement this methodology. A description of the methodology to be used is not required to be included in the new state's UI REA proposal. ETA staff will work with new states to develop an appropriate comparison group methodology prior to implementation. 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.

States 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 the Unemployment Insurance Reports Handbook, ET Handbook No. 401. These reports capture specific data about the UI REA program participants and the comparison group. States must 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 program these required reports. States that currently operate a UI REA program have previously received funds for the development of these reports.

States must agree to participate in any ETA-funded evaluations of the effectiveness of the UI REA program. Results may be used for a report(s) to Congress. States selected to participate in the current REA evaluation should calculate costs based upon the study design that has been developed in conjunction with the evaluation contractor. In addition, states must participate in periodic UI REA conference calls and webinars to facilitate information sharing and technical assistance.

States that have implemented a UI REA program 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 2014 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 negative results that occur over multiple reporting periods in measurements of average duration, benefits per claimant, percent exhausting, and percent reemployed for REA participants compared to the control group. The narrative should also address planned changes that will be implemented to improve 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 2014 UI REA grant.

6. UI REA Methodology and Required Reports. Accurate reporting is critical to the success of the UI REA program. State 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. 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. Claimants who have similar expectations of returning to work are assigned to the treatment or comparison group at the time that the REA treatment group is selected. Random selection of the comparison group provides the most valid means of measuring differences. The minimum size of the comparison group is 20 percent of the treatment group but some exceptions may be granted for small offices. States wishing to include small offices in which the population may be insufficient to provide a 20 percent control group should request assistance prior to programming the ETA 9129. Many states elect to use the WPRS model to select REA participants and the treatment group. Those claimants who are most likely to exhaust must be referred to WPRS services and are excluded from the REA program. After the WPRS claimants have been excluded the state may use an array of claimants with mid-range scores, selecting claimants in a sequence for the treatment or comparison group. Claimants served by any offices that are not providing REAs should be excluded both from the REA treatment and comparison groups. Claimants in the treatment and comparison groups should also be selected at the same week in the claims series to ensure an even comparison.

These crucial data are 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 are 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 edit checks for these reports are contained in ET Handbook No. 402.

- 7. 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 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 both the name and telephone number of the state Administrator who is to be notified of approval of the grant and the name, telephone number, and email address of the individual who can respond to questions about the proposal.

Standard Form (SF)-424 and SF-424A 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.

8. Funding Priority. Funds will be awarded in the following priority:

- A. Fund continuing state UI REA programs at their current REA level;
- B. Fund new state UI REA programs at the minimum level (see Attachment A. Section 2.A.);
- C. Fund continuing state UI REA programs currently funded at 10,000 REAs or below to expand to a higher level in increments of 10,000 REAs or less;
- D. Fund new state UI REA programs at a level greater than 10,000 REAs in increments of 10,000 or less,
- E. Fund continuing state UI REA programs currently funded in excess of 10,000 to expand to a higher level in increments of 10,000 REAs or less.

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:

- A. Have not implemented the program as required;
- B. Have significant reporting errors and/or an incorrect control group; or
- C. Have not demonstrated positive results for multiple reporting periods.

9. 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. Proposals scoring fewer than 80 points will not be funded.

10. 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 and funded after review and consultations with the states, if needed.

11. UI REA Proposal Procedures. We encourage states to work with ETA regional office staff in developing their proposals to ensure that:

- The UI REA program is designed to meet the needs of UI claimants;
- UI and AJC staff work cooperatively in planning, developing, testing, and implementing this program;
- The proposed expenditures are justified and appropriate; and
- The state is prepared to develop systems for collecting data for the required reports.

12. Timelines.

- States must submit proposals to the National Office by April 11, 2014.
- Award notifications will be issued by April 30, 2014.

- States must submit an SF-424 signed by the state Agency Administrator and an 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.

13. Action Requested. State Administrators are requested to:

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

14. Inquiries. Please direct questions to the appropriate Regional Office.

15. Attachments.

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