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ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 05-10

TO: STATE WORKFORCE AGENCIES

FROM: Jane Oates /s/
Assistant Secretary

SUBJECT: Fiscal Year (FY) 2010 Unemployment Insurance (UI)
Reemployment and Eligibility Assessment (REA) Grants

- Purpose.** To invite the submission of proposals and funding requests from State Workforce Agencies to implement new UI REA initiatives or continue an ongoing REA initiative at the current or an expanded level; to provide guidelines for developing the proposals, and to provide criteria governing the use of these funds.
- References.** Regional Office issuances regarding the REAs for FY 2005 and FY 2006; Unemployment Insurance Program Letter (UIPL) No. 30-06, Fiscal Year (FY) 2007 Unemployment Insurance (UI) Reemployment and Eligibility Assessment (REA) Grants; UIPL No. 25-07, Fiscal Year (FY) 2008 Unemployment Insurance (UI) Reemployment and Eligibility Assessment (REA) Grants; UIPL 23-09, Fiscal Year (FY) 2009 Unemployment Insurance (UI) Reemployment and Eligibility Assessment (REA) Grants; *Federal Register Notice* - Volume 70, Number 163, dated August 24, 2005; ET Handbook No. 401; ET Handbook No. 402; Training and Employment Guidance Letter (TEGL) No. 14-08 Guidance for Implementation of the Workforce Investment Act and Wagner-Peyser Act Funding in the American Recovery and Reinvestment Act of 2009 and State Planning Requirements for Program Year 2009; ETA Occasional Paper No. 2004-01 Internet Initial Claims Evaluation - Section V, Reemployment Assistance and Continuing Eligibility; ETA Occasional Paper No. 2002-09 Evaluation of the Significant Improvement Demonstration 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.** The reemployment of UI beneficiaries and the reduction of erroneous payments are high priorities for the Employment and Training Administration (ETA). 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 shorter claim durations and fewer erroneous payments. The REA initiative addresses both of these priorities.

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A total of 18 states have operated REA initiatives since FY 2005, and 16 states received funds in FY 2009 to implement an REA initiative.

In the context of the current recession, providing reemployment services to UI beneficiaries has taken on even greater importance. As a result, ETA is focusing its attention and resources on better integrating and connecting UI services with those services delivered through the One-Stop delivery system under the Workforce Investment Act of 1998 (WIA). The goal is to ensure that claimants have access to the full array of employment and training services through the One-Stop system, while also ensuring that claimants comply with the individual state requirement to actively engage in seeking work as a condition of receiving UI benefits.

The American Recovery and Reinvestment Act (Recovery Act) provided additional resources to the workforce investment system to support reemployment services. Therefore, ETA is amending the parameters of the REA program to pro-actively require that states fully integrate their REA program with Recovery Act funded reemployment services and other WIA-funded workforce investment services.

4. **FY 2010 Funding.** A total of \$60 million has been appropriated for REAs in FY 2010. Pursuant to Congressional direction, ETA will apply a portion of these funds to improvement of improper payment prevention, detection and collection efforts utilizing current and emerging technologies. States with current REA initiatives have the opportunity to apply for funds to continue or to expand initiatives to additional areas within the state and/or to provide assessments to a larger number of beneficiaries. In addition, states that are interested in implementing new REA initiatives have the opportunity to apply for this funding.

States that are not currently participating should include start-up costs and costs related to development of the UI Required Reports, ETA 9128 and ETA 9129 in their proposal. New states should provide the information requested in the UI REA Proposal Outline for First Year REA Grants (Attachment A) and complete the Unemployment Insurance Reemployment and Eligibility Assessment Cover Sheet (Attachment B).

States currently participating in an REA initiative should complete the Unemployment Insurance Reemployment and Eligibility Assessment Cover Sheet (Attachment B) and provide the information requested in the UI REA Proposal for Participating REA States (Attachment C). An automated version of this form is also available (Attachment D). Participating states may submit proposals to expand their initiative by providing REAs to a larger number of UI beneficiaries. Also, if appropriate, states may request a lower amount of funding in FY 2010 than was provided in FY 2009; this will not adversely impact future requests.

Funds for states wishing to implement a new REA initiative are to be obligated within one year of the date of implementation. The date of implementation is the date that the first REA participant is scheduled to report to a One-Stop Career Center.

5. **Guidelines.** Funds must be used to assess the continued eligibility and reemployment needs of UI beneficiaries and are not intended to supplant ongoing UI grant funds devoted to eligibility reviews for claimants who are not selected for an REA. States do not have to implement the REA initiative statewide. Assessments are to be conducted only for UI beneficiaries who do not have a definite return-to-work date.

The provision of services through the One-Stop Career Center and the actions to be taken when claimants fail to report as directed have been strengthened as further explained below. By applying for REA funding, continuing states are agreeing to take steps during the current FY to meet these strengthened service provisions. New states should include these provisions when designing their REA initiative. While providing reemployment services such as resume writing or interviewing workshops and job placement activities are not permissible uses of UI grant funds, these activities should be an extension of the REA process and funded from other sources such as Recovery Act RES funds or WIA funds. These costs should not be included in the state's proposed use of REA funds.

REA initiatives should be an integral part of the state's strategy for Reemployment Services (RES) grants provided under the Recovery Act. RES funds may be used to upgrade information technology and improve linkages, communication, and data transfer between UI, Wagner-Peyser, and One-Stop Career Center information systems. ETA has encouraged states to develop a comprehensive and integrated service delivery model to ensure that UI claimants receive an enhanced level of services. Service strategies and tactics are provided in TEGl No. 14-08 in Section 15. B. This document is available at: <http://wdr.doleta.gov/directives/attach/TEGL/TEGL14-08.pdf>. States are encouraged to review this document and collaborate with other workforce partners. These funds, in combination with REA funds, offer states a unique opportunity to build the data and communication linkages needed to better target services, eliminate redundant data collection, and improve management information.

States applying for a new or continuing REA grant are required to explain how they will integrate REA activities with the RES initiative in their state. Continuing states should submit their plan addressing this new requirement. New operational procedures using this guidance must be in place by April 1, 2010.

The following guidelines also apply:

- a. The REA must include the following minimum core components:
 1. UI eligibility assessment and referral to adjudication, as appropriate, when a potential issue is identified;
 2. Requirement for the claimant to report to the One-Stop Career Center to receive the services identified in section c below;
 3. The provision of Labor Market Information; and

- f. The state must submit required REA reports. These reports are the ETA 9128 - Reemployment and Eligibility Assessments Activities report and the ETA 9129 - Reemployment and Eligibility Assessments Outcomes report (OMB Approval No. 1205-0456). These reports capture specific data about the REA program participants and the comparison group. States submitting REA proposals for the first time may request funds to develop these required reports. States that currently operate a REA initiative already 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 initiative. Results may be used to prepare a report to Congress.
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 a REA grant. Attachment B is the cover sheet and is required for all proposals. Attachment C is the information required from states that are currently participating in the REA initiative. All pages in the state's 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 State Administrator. Proposals should also include the name, telephone number and e-mail address of the individual who can respond to questions about the proposal.

Completed Standard Form (SF) 424 (Revised 10-2005), and SF 424A must be submitted for all REA grants 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.

7. **UI REA Grant Scoring Criteria.** The REA scoring criteria are explained in Attachment A and apply to states that have not previously participated in the REA initiative. 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. 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.
8. **Supplemental Budget Request (SBR) Procedures.** States are encouraged to work with Regional Office staff while they are developing their proposals. States should ensure that:
- a. The UI REA project design meets the needs of UI beneficiaries;
 - b. UI and One-Stop Career Center staff work cooperatively in planning, developing, testing, and implementing this initiative;
 - c. The proposed expenditures are appropriate; and
 - d. The state can provide data for the required reports.

9. Time Lines.

- a. Participating states that plan to continue an REA initiative must submit proposals to the National Office by February 12, 2010. States will transition to new operating procedures by April 1, 2010.
- b. States submitting a proposal to implement a new REA initiative must submit proposals by February 12, 2010.
- c. Award notifications will be issued upon passage of the FY 2010 appropriation.
- d. States must submit an SF 424 and an SF 424A within 10 days of the award notification.

10. 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 the UI REA Cover Sheet to ows.sbr@dol.gov.
- c. Upon notification of the grant award, states must submit an SF 424, and SF 424A at the appropriate level of funding signed by the state administrator.

11. Inquiries. Direct questions to the appropriate Regional Office.

12. Attachments.

- A. Unemployment Insurance (UI) Reemployment and Eligibility Assessment (REA) Proposal Outline for First Year REA Grants
- B. Unemployment Insurance Reemployment and Eligibility Assessments Cover Sheet
- C. Unemployment Insurance (UI) Reemployment and Eligibility Assessment (REA) Proposal Outline for Participating States
- D. Information about the REA Initiative

Attachment A

UNEMPLOYMENT INSURANCE (UI) REEMPLOYMENT AND ELIGIBILITY ASSESSMENT (REA) PROPOSAL OUTLINE FOR FIRST YEAR REA GRANTS

1. **UI REA Grant Project Summary.** States should use this outline to develop proposals to implement the UI REA initiative. All proposals must include the Cover Sheet found in Attachment B.
2. **Project Costs.** Proposals must include a description of proposed expenditures and a projected schedule for significant project activities. The costs should be identified separately as start-up costs and the projected costs for one year of operation. Start up costs would include the costs of staff training, program implementation, automation costs related to the delivery and records keeping necessary for the REA initiative and the costs of developing the ETA 9128 and the ETA 9129. Any proposed expenditures that do not include all of the required information will not be funded.

Fixed Minimum Costs: The proposal should include fixed minimum costs. As a part of the fixed minimum costs, the proposal should describe the costs to implement the UI REA program and conduct the first 10,000 assessments. Fixed costs should also include the projected costs for programming the ETA 9128 and ETA 9129 reports as a one-time cost. Reporting instructions can be found in ET Handbook No. 401 and edits for these two reports can be found in ET Handbook No. 402. These instructions should assist in determining the approximate programming time needed to develop these required reports. The costs for programming these reports should be clearly identified in the project costs.

Incremental Costs: If the state proposes to conduct more than 10,000 REAs the proposal should also include incremental costs. These costs should be expressed as costs per 10,000 assessments. States that do not wish to perform more than 10,000 assessments do not need to submit this information. Incremental costs consist primarily of costs related to service delivery (i.e., conducting the REA) rather than costs such as development of management information systems. Regardless of the total number of proposed REAs, states should ensure that costs are provided on a sliding scale at 10,000 increments as it may be possible to increase partially but not possible to fund very large numbers of REAs.

3. **Scoring Elements.** The following elements are used to score the proposal. Proposals must have a score of 80 points or more to be recommended for funding. Therefore, each element is important and should be addressed fully in the proposal. Proposals should use the following format.
 - a. **Project Costs (15 percent of total score):**
 - i. **Staff Costs.** The proposal should identify both state staffing 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. Staff

cost estimates should reflect only actual hours to be worked. States should identify separately all staff costs for developing REA reports and programming requirements separate from the costs for providing REAs to claimants. States should include information in the following format for all staff requests.

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

States should charge all staff time utilized for the REA initiative to an REA project code.

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

- ii. **Other.** The proposal should 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. All costs must be related to providing REAs to claimants.

b. Project Design (45 percent of total score):

A description of the UI REA initiative should address in detail the processes that will be put in place to ensure that all core components described in the Guidelines (section 5 of this UIPL) are met. The description should include the elements below.

Proposals should include brief answers to these elements:

- What geographic locations will implement the REA initiative?
- How will beneficiaries be selected for the assessments? The proposal should identify the target group for their REA initiative. For example, states have tried various methods including focusing on those claimants most likely to exhaust their benefits, focusing on claimants with a lower profiling score who might be likely to return to work more quickly, and focusing on claimants who have job skills that are in high demand.
- How will the various REA components be staffed? States should ensure that proposed staffing arrangements have been agreed upon by all parties prior to submitting the REA proposal.
- How will the state leverage REA funds with Recovery Act RES funds and funding under WIA to better serve the UI beneficiaries?
- How will One-Stop Career Centers provide the services identified in the Guidelines section, including triage to identify reemployment needs, orientation to help claimants access self-service core services offered through the One-Stop (including labor market and career information), ensure registration in the State’s job bank, make other referrals to One-Stop services, and support the development of the claimant’s reemployment plan?

- Will the state secure a written agreement or Memorandum of Understanding with participating One-Stop Career Centers by April 1, 2010?
- How will eligibility issues be referred to UI adjudication staff?
- How will eligibility assessments be structured?
- How will information be shared among UI staff and other staff and how will the work search plan and related activities be documented?
- Describe the feedback loop that will provide information to the UI program staff 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.

c. Projected Performance Improvements (15 percent of total score):

The proposal should identify areas in which UI program performance is expected to improve as a result of the REA initiative. It should explain the proportion of claimants to be served in terms of the total UI beneficiary population. If the state can show that the projected assessments should lead to a reduction in UI overpayments, a reduction in the average benefit duration, or faster reemployment, such information should be included in the proposal's narrative. The proposal should also explain how expected performance improvements will be measured.

d. Estimated Time and Cost for Each Assessment (15 percent of total score):

The proposal must include an estimate of the time and the cost requirements for each REA. 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 state 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 REAs that could be accomplished based upon the grant amount requested.

e. Project Timeline (10 percent of total score):

A timeline of the project must be included that identifies significant milestones in implementing the initiative, including project design, and any staff training. Programming requirements that may be necessary to select and track participating beneficiaries or to measure outcomes related to program improvements should be included in the timeline, completion of the ETA 9128 and the ETA 9129, and the date that the first REAs will be offered. Funding will be based upon the timeline provided by the state.

f. Supporting Materials: States may attach additional materials that will support the proposal.

**UNEMPLOYMENT INSURANCE
REEMPLOYMENT and ELIGIBILITY ASSESSMENTS
COVER SHEET**

State Name:	
Name and Title of Grant Notification Contact (<i>Usually the State Agency Administrator</i>): Name: _____ Title: _____	
REA Project Contact <i>The person who can answer questions about the REA proposal.</i>	Name:
	Telephone:
	E-mail:
Total REA Project Cost <i>The total amount of funds requested.</i>	\$ _____
Total Service Delivery Staff Cost <i>The total amount of funds requested for staff to conduct the REAs excluding management costs</i>	\$ _____
Total Management Costs <i>The total amount of funds requested for administrative/management costs excluding cost of staff who will conduct the REAs</i>	\$ _____
Staff and Management Costs for a Single REA <i>The sum of service delivery staff costs and management costs divided by the number of planned REAs</i>	\$ _____
Staff Training Costs <i>The total amount of funds requested for staff training to conduct REAs</i>	\$ _____
Projected Time for a Single REA, Including Paperwork <i>The total time spent preparing for and conducting a single REA, recording results and other documentation</i>	
Total Number of REAs <i>The total number of REAs the state will schedule</i>	
Total Number of REA Sites <i>The total number of sites where REAs will be conducted. For levels in excess of 10,000 provide the number of sites at each level</i>	
Type of Staff Conducting REAs <i>Description of the staff that will conduct the REAs (e.g., UI, One-Stop, Contract, or a combination.)</i>	

UNEMPLOYMENT INSURANCE (UI) REEMPLOYMENT AND ELIGIBILITY ASSESSMENT (REA) PROPOSAL OUTLINE FOR PARTICIPATING STATES

1. **UI REA Grant Project Summary.** States should use this outline to submit proposals to continue the UI REA initiative. All proposals must include the Unemployment Insurance Reemployment and Eligibility Assessments Cover Sheet (Attachment B). Proposals from continuing states are not scored. Requests to expand the state’s initiative will be subject to funding availability.

2. **Project Costs.** Proposals must include a description of proposed expenditures and a projected schedule for significant project activities. States may elect to provide REAs at the same level as the prior year or they may elect to expand the REA program. If the state is implementing at the current level incremental costs are not needed.

Fixed Costs: The proposal should include fixed costs to fund REAs at the FY 2009 level.

Incremental Costs: If the state proposes to increase the number of REAs the proposal should also include incremental costs. These costs should be expressed as costs per 10,000 assessments.

- i. **Staff Costs.** The proposal should identify both state staffing 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. Staff cost estimates should reflect only actual hours to be worked. States should include information in the following format for all staff requests.

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

States should charge all staff time utilized for the REA initiative to an REA project code.

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

- ii. **Other.** The proposal should 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. All costs must be related to providing REAs to claimants.

- 3. Information about the REA Initiative.** States are asked to provide brief answers to the elements below (Attachment D is an automated version of this item). This information will be shared with states seeking assistance to implement or change an REA project. It will also be used to provide information as needed for UI management staff. The information will be compiled and will be available to all states. This information is not used for scoring purposes and an extensive narrative is not needed.
- a. Service Delivery Staff.** Provide information about the type of staff conducting the REA. For example, are they UI or One-Stop staff? If UI staff, are they claims takers, adjudicators, or other? If One-Stop Career Center staff members conduct the REA, how are they trained to conduct the UI eligibility review?
 - b. Selection of REA Participants.** Identify the pool from which REA participants and the comparison group are selected. If the Worker Profiling and Reemployment Services (WPRS) program pool is utilized please explain which claimants in the WPRS pool are selected for the REA treatment and comparison groups.
 - c. Description of an REA.** Please provide a brief description of the state's REA. What are the elements of the REA? Are any of the key components, identified in Section 5 of this UIPL, conducted by different staff? Are any of the elements conducted in a group setting?
 - d. Scheduling the REA in the Claims Series.** At what point in the claimant's claim series is the first REA scheduled. For example, the state may elect to send an REA letter after claimants receive the first benefit payment requiring that they report to the One-Stop Career Center two (2) weeks later, which may be the fifth week of the claim.
 - e. Single or Multiple REAs.** Does the state conduct single or multiple REAs for each claimant? If multiple REAs are scheduled at what intervals are they scheduled? Do all subsequent REAs contain the key components?
 - f. Failure to Report for an REA.** What does the state do if the claimant fails to report for a scheduled REA? Are claimants notified that they may be held ineligible for the week if they fail to participate in the REA? Is the claimant provided a contact number to notify the state in advance that s/he will be unable to attend the REA as scheduled? Is UI staff notified if the claimant fails to report for a scheduled REA? If no, please explain. Are claimants who fail to report for an REA rescheduled? Are they referred to adjudication? Please describe all actions taken when the claimant fails to report as scheduled.
 - g. Use of the REA Required Reports.** What can the state conclude from the REA data in the state's required reports? Does it appear that the program is having a positive effect? If the state is having problems with any of the required reports, please identify the problem(s), provide the steps that are being taken to correct the

problem(s), and include target dates that corrections are expected to be made. If in the past, the state made significant corrections to these required reports, please identify the date the corrections were made and the date after which the state's data was correct/valid as a result of the changes.

- h. REA Activities to Share with Other States.** If the state has implemented practices that would be helpful to share with other states please provide a brief summary of the practice. This information will be compiled and shared with other states.

Information about the REA Initiative
(Automated version of #3 in Attachment C)

- a. Which type of staff is conducting the REA (e.g., UI or One-Stop staff)?
 - 1) If UI staff, please identify positions (e.g., claims takers, adjudicators).
 - 2) If One-Stop Career Center staff conducts the REA, how are they trained to conduct the UI eligibility Review?

- b. Identify the pool from which the REA participants and the comparison group are selected. If the Worker Profiling and Reemployment Services (WPRS) program pool is utilized which claimants in the WPRS pool are selected for the REA treatment and comparison groups?

- c. Briefly describe the state’s REA.

- d. Identify which staff conducts each of the REA key components (see Section 5 of this UIPL) and indicate whether they are conducted on an individual basis or in a group setting?

1) Eligibility Review	Staff:	<input type="checkbox"/> Individual	<input type="checkbox"/> Group
2) Labor Market Information	Staff:	<input type="checkbox"/> Individual	<input type="checkbox"/> Group
3) Work Search Plan	Staff:	<input type="checkbox"/> Individual	<input type="checkbox"/> Group
4) Referrals to Reemployment Services as appropriate	Staff:	<input type="checkbox"/> Individual	<input type="checkbox"/> Group

At what point in the claims series is the first REA scheduled?

- e. Does the state conduct single or multiple REAs for each claimant? Single Multiple
 - 1) If multiple REAs are scheduled, at what intervals are they scheduled?
For example, State A schedules REAs every 5th week.
 - 2) Do all subsequent REAs contain all key components? Yes No

- f. Describe all actions taken when the claimant fails to report as scheduled.
 - 1) Is the claimant provided a contact number to notify the SWA in advance that s/he will be unable to attend the REA as scheduled? Yes No

2) Are claimants rescheduled? Yes No

3) Are they referred for UI adjudication, for example, when they fail to report?
 Yes No

g. What has the state concluded from the REA data on the required reports?

1) Does it appear that the program is having a positive effect? Yes No

If no, please explain.

2) If the state is having problems with any of the REA required reports, please provide the steps that are being taken to correct these problems, including target dates that the corrections will be made.

3) If the state has made any significant corrections to these reports, please identify the report number and explain the corrections that were implemented.

4) Please provide the date on which the corrections were implemented and the report quarter date after which the data should be correct/valid.

Corrections implemented (mm/dd/yyyy).

Report quarter after which the data should be valid. (mm/dd/yyyy).

h. If the state has implemented practices that would be helpful to other states, please provide a brief summary of the practice.