ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 39-97, Change 2

TO: ALL STATE WORKFORCE AGENCIES

FROM: GRACE A. KILBANE
Administrator
Office of Workforce Security

SUBJECT: The Reed Act Provisions of Title IX of the Social Security Act

1. **Purpose.** To change the effective date of Unemployment Insurance Program Letter (UIPL) No. 39-97, Change 1, to July 1, 2002.


3. **Background** States were advised in 1997 (Section H of Attachment I to UIPL No. 39-97) that they may use Unemployment Insurance (UI) and Employment Service (ES) administrative grant funds to reimburse Reed Act expenditures for ADP installations. In January, 2002, UIPL No. 39-97, Change 1, clarified that "ADP installations" includes software costing $1 million or more, thereby qualifying for UI and ES grant fund reimbursement for Reed Act expenditures, effective September 12, 1997.

   After issuance of this clarification, it was discovered that the retroactive date was inconsistent with the requirements of the Small Business Regulatory Enforcement Flexibility Act of 1996. That law requires submission to Congress before the policy may take effect, thereby precluding any retroactive effective date.

4. **Effective Date.** The revised effective date of UIPL No. 39-97, Change 1, is July 1, 2002. States are advised that they will be held harmless for any action consistent with UIPL No. 39-97, Change 1, including the effective date of September 12, 1997.

5. **Action Required.** Administrators are requested to provide this information to the appropriate staff.

6. **Questions.** Questions should be addressed to the appropriate Regional Office.