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ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 20-15

TO: STATE WORKFORCE AGENCIES

FROM: PORTIA WU /s/
Assistant Secretary

SUBJECT: Unemployment Insurance and the Workforce Innovation and Opportunity Act of 2014

- Purpose.** To provide guidance to state workforce agencies (state UI agencies) responsible for administration of the Federal-State Unemployment Insurance (UI) programs on implementation of the provisions of the Workforce Innovation and Opportunity Act (WIOA) related to UI programs, beginning July 1, 2015, and to: 1) recommend that state UI agencies begin (if they have not already) working with other workforce partners to develop strategies to implement WIOA; and 2) encourage states, as they develop strategies for WIOA implementation, to consider how to most effectively leverage Federal-State UI programs. As referenced in this guidance, “UI programs” include: the state’s Worker Profiling and Reemployment Services (WPRS) program, Trade Readjustment Allowances (TRA) under the Trade Adjustment Assistance (TAA) program, the state’s Reemployment Services and Eligibility Assessment (RESEA) program (replacing the UI Reemployment and Eligibility Assessment (UI REA) program), the state’s Self Employment Assistance (SEA) program, and the state’s Short-Time Compensation (STC) program, if the state operates an STC program.

WIOA Operating Guidance

WIOA was signed into law on July 22, 2014. WIOA is designed to help job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy. WIOA supersedes titles I and II of the Workforce Investment Act of 1998 (WIA), and amends the Wagner-Peyser Act and the Rehabilitation Act of 1973.

The U.S. Departments of Labor (DOL) and Education (ED) published a set of proposed regulations for implementing WIOA through the posting of five Notice of Proposed Rulemaking (NPRM). These NPRMs were open for public comment until June 15, 2015, and several hundred comments were received by both Departments. The Federal agencies

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will review, analyze, and consider the comments received. The Final WIOA rules will be issued in 2016.

In order to continue implementation prior to the final rule, a series of WIOA Operating Guidance documents are being issued in the form of Training and Employment Guidance Letters (TEGLs). These Operating Guidance documents on WIOA will inform the workforce system on how to begin the important planning and organizational work necessary to comply with the WIOA statutory requirements. The Operating Guidance TEGLs will provide a framework for program activities until the regulations are finalized. Like these TEGLs, this Unemployment Insurance Program Letter (UIPL) is one in a series of WIOA Operating Guidance.

2. **References.** See Attachment.

3. **Background.** UI programs play a vital role in the comprehensive, integrated workforce system by providing income support benefits to eligible individuals, who continue to be important customers of the workforce system. These benefits allow unemployed workers to engage in work search activities for suitable work, and the workforce system is a key source of services to support the reemployment of UI claimants. In addition, a key role of the workforce system is to connect skilled workers with employers who need them, and UI claimants have recent attachment to the workforce, making them a significant part of the available labor pool.

WIOA seeks to modernize the workforce system to provide comprehensive, integrated and streamlined services. Such service delivery requires linking and aligning the different one-stop partners. It is important that each state UI agency works with other workforce partners as the state develops strategies and plans to implement WIOA.

This UIPL focuses on the aspects of WIOA that most directly impact UI programs and state UI agency operations. It will be important, however, for state UI agencies to focus on all of the WIOA operating guidance documents for a complete understanding of the WIOA provisions impacting UI programs.

4. **The State UI Agency as a Required One-Stop Partner.** Similar to WIA, WIOA designates the state UI agency as a required one-stop partner. WIOA provisions for required one-stop partners are similar to those under WIA, but there are a number of changes (WIOA Section 121(b)).

A. State Workforce Development Board (State Board) Membership

In an effort to streamline State Boards, WIOA no longer mandates that all required one-stop partner programs have representation on the State Board. State Board membership requirements can be found at WIOA Section 101. The Governor has discretion to include state agency officials from the one-stop partner programs, like state UI programs, which are not core programs under WIOA section 3(13). Core programs include adult, dislocated worker, and youth programs; adult education and literacy programs; the Wagner-Peyser

program as amended by WIOA; and the Vocational Rehabilitation program. State and local leaders are strongly encouraged to engage in strategic planning and find new ways to align core and other programs, such as state UI programs. If the state UI agency is not specifically represented on the State Board, it is critical that the state UI agency be actively engaged and working collaboratively with the State Board and all one-stop partner programs as the state develops its WIOA State Plan, and develops WIOA implementation strategies related to one-stop activities. This includes development of states' one-stop requirements and policy; development of one-stop certification criteria; development of integrated data systems to support one-stop service delivery and performance accountability; and development of state policies and guidance on cost sharing of the one-stop infrastructure.

B. Integrated Service Delivery

The one-stop delivery system brings together partner programs, including UI programs, and entities responsible for workforce development, educational, and other human resource programs to collaborate in the creation of a seamless, customer-focused service delivery network that enhances access to the various program services. WIOA Section 121 broadly addresses the establishment of the one-stop delivery system. State Boards have the responsibility to establish the state's one-stop delivery system which must be described in the state's plan (WIOA Sections 101(d)(6), 102(b)(1), 103(b)(1)). Local Workforce Development Boards (Local Boards) also are required to develop strategies to strengthen linkages between the one-stop delivery system and the UI program (WIOA Section 108(b)(4)(A)(iv)). Aligning multi-program services and collaborating with workforce partners is critical for this service integration.

One-stop delivery system partners must work collaboratively with State and Local Boards and one-stop partner programs to establish and maintain the one-stop delivery system. A summary of provisions concerning activities the UI system must carry out as a required partner is provided below (WIOA Section 121(b)(1)(A)):

- (a) Provide access to its programs or activities through the one-stop delivery system, in addition to any other appropriate locations;
- (b) Use a portion of funds available for the program and activities to maintain the one-stop delivery system, including payment of a portion of the infrastructure costs of one-stop centers (currently branded as American Job Centers);
- (c) Enter into a Memorandum of Understanding (MOU) with the Local Board relating to the operation of the one-stop delivery system; and
- (d) Participate in the operation of the one-stop delivery system consistent with the terms of the MOU, requirements of authorizing laws, the Federal cost principles, and all other applicable legal requirements.

Many areas of opportunity exist for improved integration of the UI program into the one-stop delivery system, including, but not limited to:

- Helping UI claimants access the full range of one-stop services both on-line and in-person through one-stop centers.

- Ensuring claimants meet eligibility requirements (such as, searching and registering for work as required by state law, participating in reemployment services as required under the RESEA and WPRS programs), and ensuring that a feedback loop exists to provide UI program staff with information about any potential eligibility issue(s). See additional information provided in section 5 of this UIPL.
- Working with Rapid Response teams to provide services to employers and workers in mass layoff situations and conducting claim filing activities, when needed. Rapid Response staff serve as a key point of contact for businesses and can also be used to educate employers about layoff aversion strategies, such as STC in those states that operate an STC program.

The STC program, also known as Work-Sharing or Shared Work, is designed to help employees preserve their jobs, and allow employers to maintain their trained and skilled workforce during times of economic downturn. Rather than lay off employees, STC provides employers with the flexibility to reduce work hours until business demand increases.

- Connecting UI claimants to reemployment services through the WPRS program and the new RESEA program (which builds on the former UI REA program, and replaces it in a state that implements the new RESEA program). UI plays a significant role in supporting the reemployment of claimants. States are strongly encouraged to consider how to most effectively leverage other programs, such as the WPRS and RESEA programs, to address the reemployment needs of UI claimants. See additional information provided in section 5 of this UIPL.
- Providing effective services to veterans who file for benefits under the Unemployment Compensation for Ex-Servicemembers (UCX) program. Given that UCX claimants make up a significant portion of the veteran population in need of reemployment services, focusing on UCX claimants should be part of every state's plan (WIOA Sections 101(d)(6), 102(b)(1), and 103(b)(1)). States should: 1) create a strong collaborative partnership between the UI program and other workforce program partners in support of reemployment service delivery to UCX claimants as they transition from the military; 2) improve sharing of UCX data (consistent with confidentiality requirements in 20 CFR Part 603 and state law) to support improved outreach to UCX claimants and to better understand the population of UCX claimants and their service delivery needs; and 3) improve outreach, exposure to jobs, and reemployment strategies for UCX claimants and fully leverage existing resources.
- Undertaking strategies to promote entrepreneurship, such as implementing an SEA program. States are given the option to establish SEA programs to help unemployed workers create their own jobs by starting small businesses. States pay an SEA allowance, instead of regular UI, to help unemployed workers while they are establishing businesses and becoming self-employed. Participants receive weekly allowances while they are getting their businesses started.

The SEA program provides a reemployment alternative for unemployed workers and offers entrepreneurship as a way for individuals to return to employment. The one-stop center provides an avenue to communicate information to claimants about SEA in states that operate an SEA program.

- Ensure that claimants are fully notified of deadlines and eligibility requirements associated with TRA, Alternative Trade Adjustment Assistance (ATAA), and Reemployment Trade Adjustment Assistance (RTAA) programs, and that communication with case managers for TAA participants is seamless.

C. WIOA Career Services Include Providing “Information and Assistance” Regarding the Filing of a UI Claim

The integrated workforce system established by WIOA is intended to provide participants with a seamless, one-stop experience that includes a professional level of service provided in a timely manner. As such, individuals directly seeking career services from the one-stop delivery system should receive services beyond what they could obtain on their own using self-service tools, such as public Web sites and telephone services. The objective is for individuals to receive more robust or “meaningful” staff-assisted services, as needed.

WIOA requires, as a career service, the provision of both information and assistance to individuals regarding the filing of a UI claim (WIOA Section 134(c)(2)(A)(x)). In the context of providing assistance with UI claims, “meaningful assistance” means having staff well-trained in UI claims filing and claimant rights and responsibilities, available in the one-stop centers to provide UI claim-filing assistance, if requested or if the individual is identified as needing the service due to barriers such as limited English proficiency, disabilities, or other barriers. The Employment and Training Administration (ETA) will provide further guidance on this issue. The staff providing this assistance may be UI, Wagner-Peyser, or other one-stop partner staff who has been properly trained to provide this type of assistance and service. However, as described in UIPL No. 12-01, *Outsourcing of Unemployment Compensation Administrative Functions*, and further explained in UIPL No. 12-01, Change 1, *Outsourcing of Unemployment Compensation Administrative Functions – Claims Taking*, only merit staff may, in person at one-stop centers or remotely, answer questions, provide advice, or make decisions that could affect claimants’ UI eligibility. However, other one-stop staff may assist in claims taking by rote acceptance of information.

Meaningful assistance may be provided by appropriate staff in-person, by telephone or other technology, including computer access. The level and timeliness of remote service should be comparable to assistance the individual would receive if staff were assisting such individual in-person in the one-stop center. This means that if an individual in a one-stop center is referred to a telephone for UI claims assistance, it must be a phone line dedicated to serving one-stop customers in a timely manner. Individuals must not simply be referred to a general information/dial-in line with the state UI agency contact center where the individual is placed into a phone queue along with all other claimants in the state. If the assistance is provided remotely using technology, it must be a technology that enables trained staff to provide the

assistance. Examples of technology that enables remote assistance include live web chat applications, video conference applications, or other similar technology.

The costs associated with providing both information and assistance to individuals filing UI claims may be paid for by the state's UI administrative funding, Wagner-Peyser Employment Service (ES) funding consistent with sec. 7(a)(3)(F) of the Wagner-Peyser Act, WIOA adult or dislocated worker programs funding, or some combination thereof, subject to the federal requirements for administration of UI programs described in UIPL No. 12-01, Change 1.

D. Memorandum of Understanding (MOU)

Local areas must establish and clarify the roles and responsibilities of the various one-stop partners participating in the integrated service delivery systems through MOUs, including the state UI agency. WIOA requires that a MOU be developed between the Local Board, the chief elected official, and the one-stop partners to address the operation of the one-stop delivery system in the local area (WIOA Section 121(c)). The MOU must be developed with and entered into between the one-stop partners and the State Board in states that have been designated by the governor as a single state local area (WIOA Section 106(d)).

The required elements of the MOU include descriptions of the following:

- Services to be provided through the one-stop delivery system and how they will be coordinated and delivered;
- How the costs of the services and the operating costs of the system will be funded, including funding of infrastructure costs of one-stop centers and funding of the shared services and operating costs of the one-stop delivery system (see additional information on infrastructure and other costs provided in section E of this UIPL);
- Methods for referring individuals between the one-stop operators and partners for appropriate services and activities;
- Methods to ensure that the needs of workers, youth, and individuals with barriers to employment, including individuals with disabilities, are addressed in providing access to services, including access to technology and materials that are available through the one-stop delivery system;
- The duration of the MOU and procedures for amending it; and
- Include an assurance that each MOU will be reviewed, and if substantial changes have occurred, renewed, not less than once every 3-year period to ensure appropriate funding and delivery of services.

The MOU may also contain any other provisions agreed to by the parties that are consistent with all applicable authorizing statutes and regulations (including, but not limited to, the confidentiality and disclosure of wage records governed by the regulations at 20 CFR Part 603). For additional information regarding disclosure of confidential information obtained from the state UI agency, see section 7 of this UIPL. When fully executed, the MOU must contain the signatures of the Local Board, one-stop partners, the chief elected official(s), and must identify the time period for which the agreement is effective. The MOU must be updated not less than every three years to reflect any changes in the signatory official of the Local Board, one-stop partners, and chief elected officials, or one-stop infrastructure funding.

With regard to UI programs, the MOU should describe how UI programs and activities, including the regular UI program, Unemployment Compensation for Federal Employees, UCX, RESEA, SEA, STC, and WPRS are accessible through the one-stop delivery system and how claimants in these UI programs are provided information and assistance in filing UI claims as discussed above. In addition, it should describe activities related to TRA, ATAA, and RTAA under the TAA program, which are related forms of income support that are administered by state UI staff. The MOU must address how UI, TRA, ATAA, and RTAA claimants are provided information and assistance in filing claims and must also address how those claimants are effectively connected to reemployment services through the one-stop center. In addition, the MOU should describe how feedback is provided to UI program staff with regard to potential UI eligibility issues, such as a claimant's failure to report and/or participate in services to which they were referred (see additional information on feedback to UI staff provided in section 5 of this UIPL).

Although section 121(c) of WIOA allows Local Board and one-stop partners to develop separate agreements with each partner or groups of partners, the UI program may consider development of model MOU language for use by all Local Boards to facilitate transparent, flexible agreements that are not burdensome. However, local areas vary in their one-stop service delivery design and the MOU may need to be customized to some extent, to accommodate such variation.

ETA will provide additional operational guidance, through a TEG, on local governance and the MOU process, one-stop operations, and one-stop infrastructure costs.

E. Infrastructure and Other Costs

Section 121(h) of WIOA requires that all required one-stop partners, including state UI agencies, use a portion of their funds to maintain the one-stop delivery system, including payment of a portion of the infrastructure costs of one-stop centers. This requirement is based on the premise that joint funding of one-stop infrastructure is a necessary foundation for an integrated service delivery system. A summary of provisions related to one-stop center infrastructure costs is provided below. ETA is providing additional operational guidance separately on infrastructure costs and funding through a TEG.

Specifically, partner funding of infrastructure costs is intended to:

- Maintain the one-stop delivery system to meet the needs of the local areas;
- Reduce duplication by improving program effectiveness through the sharing of services, resources, and technologies among partners;
- Reduce overhead by streamlining and sharing financial, procurement, and facilities costs;
- Encourage efficient use of information technology to include, when possible, the use of machine readable forms and shared management systems;
- Ensure that costs are appropriately shared by one-stop partners by basing contributions on proportionate share of use; and

- Ensure that services provided by the one-stop partners to reduce duplication or to increase financial efficiency at the one-stop centers are allowable under the partner's program.

Infrastructure costs of one-stop centers are defined as non-personnel costs that are necessary for the general operation of the one-stop center, including, but not limited to:

- Rental of the facilities;
- Utilities and maintenance;
- Equipment (including assessment-related products and assistive technology for individuals with disabilities); and
- Technology to facilitate access to the one-stop center, including technology used for the center's planning and outreach activities.

All partner contributions to the costs of operating and providing services within the one-stop delivery system must adhere to the partner program's Federal authorizing statute(s) and agreements, and to all other applicable legal requirements, including the Federal cost principles that require costs that are allowable, reasonable, necessary, and allocable. The ETA's previous Financial Management Technical Assistance Guide (TAG) published for WIA remains a useful tool for cost allocation explanations (the TAG is in the process of being updated). See http://www.doleta.gov/grants/pdf/TAG_PartI.pdf and http://www.doleta.gov/grants/pdf/TAG_PartII_July2011.pdf. Another resource for cost allocation guidance is TEGL No. 15-14, *Implementation of the New Uniform Guidance Regulations*.

Additional joint funding among one-stop partners:

In addition to one-stop infrastructure costs, partner programs may also jointly fund *shared services*, to the extent consistent with each program's Federal authorizing statute(s) and agreements and other applicable legal requirements. Shared services' costs may include the costs of shared services that are authorized for and may be commonly provided through any of the one-stop partner programs to any individual, such as initial intake, assessment of needs, appraisal of basic skills, identification of appropriate services to meet such needs, referrals to other one-stop partners, and business services. Shared operating costs may also include shared costs of the Local Board's functions. These shared costs must be allocated according to the proportion of benefit received by each of the partners, consistent with the Federal law authorizing the partner's program, and consistent with all other applicable legal requirements. Any shared costs agreed upon by the one-stop partners must also be included in the MOU.

5. Reemployment Services for UI Claimants.

One of the most important opportunities presented by WIOA for the UI program is for states to reexamine how UI claimants are provided reemployment services through the one-stop delivery system. WIOA amended the Wagner-Peyser Act to reemphasize the use of Wagner-Peyser program funds to serve UI claimants, and expands the explicit list of services that

states may make available to UI claimants. As discussed above regarding service integration, WIOA also presents opportunities to improve alignment and integration of reemployment-related programs including RESEA, WPRS, SEA, and the TAA program, including TRA, ATAA, and RTAA.

A. Wagner-Peyser ES Program

WIOA amends Section 7(a) of the Wagner-Peyser Act in several important ways that impact service delivery to UI claimants (WIOA Sections 305 (a) & (b)). The Wagner-Peyser Act authorizes funding for states to deliver a wide array of employment services to job-seekers broadly. WIOA added new language that reemphasizes the need for Wagner-Peyser funds to be used specifically to support reemployment and related services to UI claimants. The coordination of employment services and UI claimant services is essential to ensure an integrated approach to reemployment service delivery. The changes made by WIOA to the Wagner-Peyser Act's provisions are intended to strengthen the connectivity between the state's delivery of employment services and the UI program, and maximize the opportunities for claimants to return to employment as quickly as possible.

The Wagner-Peyser Act provides that the state ES agency, as part of the one-stop delivery system, must deliver reemployment services to UI claimants for whom such services are required as a condition for receipt of UI benefits. Services must be appropriate to the needs of the UI claimants who are referred to reemployment services under any Federal or state UI program or law.

The state must also carry out other activities, as appropriate, including:

- (1) Coordinating and providing basic career services, particularly labor exchange services with the provision of UI claimant services, as required by the Wagner-Peyser Act;
- (2) Administering the work search test, conducting eligibility assessments, and registering UI claimants for employment services in accordance with a state's unemployment compensation law, and provision of job finding and placement services; and
- (3) Referring UI claimants to, and providing application assistance for, training and education resources and programs, including Federal Pell Grants and other student assistance under Title IV of the Higher Education Act; the Montgomery GI Bill; Post-9/11 GI Bill; other Veterans Educational Assistance; training provided for youth and adult and dislocated workers, as well training and education programs under WIOA; and for Vocational Rehabilitation Services under Title I of the Rehabilitation Act of 1973.

Staff funded under the Wagner-Peyser Act must ensure that:

- UI claimants receive the full range of basic career services, including labor exchange services available under the Wagner-Peyser Act that are necessary and appropriate to facilitate their earliest return to work, including career services specified in WIOA;

- UI claimants requiring assistance in seeking work receive the necessary and appropriate guidance and counseling to assist them to make a meaningful and realistic work search; and
- ES staff provides UI staff with information about potential UI eligibility issues such as a claimant's ability to work, availability for work, or the suitability of work offered to him/her. Sharing such information with UI staff helps to accelerate the claimants' return to suitable employment and ensure their continued eligibility to receive UI benefits.

To meet the requirement of providing the necessary information related to UI eligibility, states must ensure that:

- (1) An effective feedback loop is in place to advise UI staff whether the claimant(s) reported as directed and participated in the eligibility assessment and/or services, as appropriate;
- (2) The feedback loop is in place for all reemployment service activities in which UI claimants are required to participate and includes a process for referral to UI adjudication any eligibility issues identified in the eligibility review;
- (3) ES staff is trained to conduct a thorough eligibility assessment to be able to identify potential eligibility issues for referral to UI staff;
- (4) ES staff is trained to properly document information for use by UI staff in adjudicating, as appropriate, any UI eligibility issues; and
- (5) Only UI merit staff has authority to adjudicate UI eligibility issues.

B. UI Reemployment Programs: WPRS and RESEA

UI programs serve as one of the key “gateways” to the workforce system, as it is often the first workforce program accessed by individuals who need UI or other income support administered by the state UI agency as an income safety net and facilitates reemployment services available through one-stop centers. The workforce system, including UI and other workforce programs, share the responsibility to support the reemployment of these individuals.

As states begin to engage partner programs to plan for implementation of WIOA, particularly as they consider service delivery design for their one-stop centers, they are strongly encouraged to consider how to most effectively leverage other programs that focus on UI claimant reemployment, such as WPRS and the new RESEA program as defined in UIPL No. 13-15, *Fiscal Year (FY) 2015 Unemployment Insurance (UI) Reemployment Services and Eligibility Assessments (RESEA) Grants*, to address the reemployment needs of UI claimants. These programs are an integral part of the states' strategies for delivering reemployment services.

The WPRS program, which was mandated by Section 4 of Public Law 103-152, Social Security Act (SSA), Section 303(j), is designed to identify UI claimants who are most likely to exhaust their benefits and need job search assistance to return to work, and refer them to appropriate reemployment services, such as: job search and job placement assistance;

counseling; testing; provision of occupational and labor market information (LMI); and assessments. This program provides reemployment services to certain claimants through an early intervention process. The WPRS program and the number of individuals served under the WPRS program is determined by the state (and/or local areas) based on their capacity to serve these individuals (see UIPL No. 41-94, *Unemployment Insurance Program Requirements for the Worker Profiling and Reemployment Services System*).

The new RESEA program builds on the success of both the WPRS program and the former UI REA program. Using an integrated approach that combines the UI REA program and reemployment services has been found to be particularly successful with strong reemployment outcomes. A study of the program can be accessed at: http://wdr.doleta.gov/research/FullText_Documents/ETAOP_2012_08_REA_Nevada_Follow_up_Report.pdf.

ETA is providing funding for states to begin implementing the RESEA program during the remaining portion of Fiscal Year 2015. The RESEA program will provide services to UI claimants identified as most likely to exhaust their benefits under the methods established for the state's WPRS program, and to veterans receiving UCX. The RESEA program should be integrated with WIOA and Wagner-Peyser Act-funded reemployment services and career services. Such services are expected to be a key part of the success of the RESEA program. Each completed RESEA should include appropriate reemployment services and may include a referral to training.

All of the WPRS and RESEA reemployment program services may be delivered by UI staff, Wagner-Peyser staff, WIOA staff, or other one-stop center staff. As previously mentioned, the service delivery staff must be trained to identify any potential UI eligibility issues that come to their attention or that are identified when staff is providing such services, and refer any such issues to appropriate UI staff.

6. Integrated Data and Information Technology Systems.

Local Boards must develop strategies for transitioning to an integrated, technology-enabled intake and case management information system for programs carried out under WIOA and by one-stop partners (WIOA Section 101(d)(7)). Integrated data systems will allow for unified and streamlined intake, case management, and service delivery; minimize the duplication of data; ensure consistently defined and applied data elements; facilitate compliance with performance reporting and evaluation requirements; and provide meaningful information about core program participation to inform operations. State Boards are tasked with assisting the Governor in developing strategies for aligning and integrating technology and data systems across one-stop partner programs (WIOA Section 101(d)(8)).

States are required to address in their WIOA state plans how the lead state agencies responsible for the WIOA core programs will align and integrate available workforce and education data on core programs, UI programs (including TAA program provisions for payment of TRA, ATAA, and RTAA), and education through postsecondary education (WIOA Section 102(b)(2)(C)(v)(I)).

State UI agencies should actively work with the State Board, core programs and other required one-stop partners to design and implement integrated data systems. Funding for such linkages across state IT systems may be available (see UIPL No. 16-15, *Unemployment Insurance (UI) Supplemental Funding Opportunity for Program Integrity and Performance and System Improvements*, Section 6 – section titled *Workforce Innovation and Opportunity Act (WIOA) Data System Integration/Reemployment Connections*).

Reemployment Connections Tools:

ETA has partnered with the National Association of State Workforce Agencies' Information Technology Support Center (ITSC) and several states to develop tools to support improved connectivity and integration across siloed IT systems supporting UI and other workforce programs. The goal of the Reemployment Connections initiative was to develop on-line technology tools that could sit on top of, and map to, existing technology systems, to enable the customer to see and access one “common front door” for the one-stop delivery system with a single registration process. In addition, states felt strongly that there was a need for an interactive hub, or profile page, that enables a continuum of services customized by customer choice and facilitated by data and information provided to the claimant by the workforce system (e.g., open jobs, career and LMI, etc.).

The Integrated Workforce Registration (IWR) tool provides the “common front door” for all UI claimants and other job seekers, and presents all of the assets of the workforce system, including income support and the full array of reemployment services in a cohesive and integrated way, supported by a common registration process.

The Workforce Integrated Profile Page, designed to work in tandem with the IWR, is a dynamic, interactive on-line service delivery hub that provides real time integrated and automated sharing of new information and interactions with the customer and facilitates two-way communications in ways that continuously inform and support reemployment service delivery. Examples of the types of information shared include information about job fairs and job openings linked to the customer's skills and interests.

The Reemployment Connections technology tools are available now for all states to implement and/or adapt and customize. The tools enable the data system integration envisioned under WIOA. States should also consider the tools as a model for enabling the state to integrate their data systems across partner programs under WIOA, whether developed by individual states or consortia of states. More information on these tools is available at <http://rc.workforce3one.org/about> –click on “Resources.”

7. Disclosure of Wage Records.

Access to wage records has been an important issue for many years and is an even greater priority under WIOA. As explained below, use of wage records for WIOA core program performance and eligible training provider performance reporting purposes, and disclosure of wage records for certain DOL and ED evaluations are mandatory under WIOA (WIOA

Section 116(e)(4)). State UI agencies must coordinate disclosure of wage records for the mandated purposes for the state to be in compliance with WIOA requirements.

To facilitate access to wage records for these purposes, DOL (ETA, the Bureau of Labor Statistics, and the Chief Evaluation Office) is undertaking a number of activities in partnership with other Federal agencies to enable efficient and secure access to confidential wage data as envisioned under WIOA, and expects to provide additional guidance and extensive technical assistance to the states and partners, such as educational entities. DOL plans to actively engage states in this endeavor.

DOL also expects to issue specific guidance about wage record access issues in partnership with ED that will also include issues related to cross matching wage records with educational data, which is governed by the Family Educational Rights and Privacy Act, 20 U.S.C. §1232g.

A. Disclosure of Wage Records for WIOA Core Program Performance and Eligible Training Provider Performance Report Purposes

State workforce, training, and education programs are required to use quarterly wage records to measure the progress of the State on the State and local performance accountability measures, and for obtaining the information required in the Eligible Training Provider List (WIOA Sections 116(i) and 121(d)). Quarterly wage records are the employer-provided wage reports collected under authority in Section 1137 of the SSA (42 USC 1320b-7). These are the reports state UI agencies obtain for UI tax liability and benefit eligibility determination purposes, and also use to detect improper payments. Confidentiality and disclosure of wage records are governed by the regulations at 20 CFR Part 603.

Wage information, defined in 20 CFR Part 603.2(k), includes the three data categories or elements that states must use for WIOA performance reporting purposes: wages, Social Security Number(s), and employer information. Federal regulations at 20 CFR Part 603.5(e) permit states to disclose confidential unemployment compensation (UC) information “to a public official for use in the performance of his or her official duties.” Performance of official duties means “administration or enforcement of law or the execution of the official responsibilities of a Federal, State, or local elected official.” Generally, under these regulations, disclosures of confidential UC information that WIOA requires are already permissible. DOL strongly encourages state UI agencies to work collaboratively with one-stop partners to meet the requirements for use of wage records under WIOA.

Additionally, the DOL has proposed amendments to the definition of a public official in 20 CFR Part 603.2 and to 20 Part CFR 603.5 concerning disclosures to public officials to provide greater clarity as to how states may comply with WIOA’s requirements and protect the confidentiality of UC information. More information about this can be found in DOL’s NPRM at 80 Fed. Reg. 20694-96 and 20834.

B. Mandatory Disclosure of Wage Records for Certain DOL and ED Evaluations

Section 116(e)(4), WIOA, requires that states cooperate in evaluations conducted by DOL and ED, under the provisions of Federal law identified in 116(e)(1), WIOA, “to the extent practicable”. Specifically, these include the following types of evaluations:

- Evaluations of core programs under WIOA;
- Evaluations under section 169, WIOA, to evaluate :
 - Workforce Development Activities under WIOA Title 1;
 - Other federally funded employment-related programs and activities authorized under other provisions of law;
- Evaluations under section 242(c)(2)(D), and sections 12(a)(5), 14, and 107 of the Rehabilitation Act of 1973 (applied with respect to programs carried out under Title I of that Act); and
- Evaluations under section 10(b) of the Wagner-Peyser Act.

Cooperation in these evaluations includes, in part, the timely provision of data (in accordance with appropriate privacy and confidentiality protections established by the Secretary of Labor), the timely provision of responses to surveys, and allowing site visits in a timely manner, for the Secretary of Labor, the Secretary of Education, or their agents.

“To the extent practicable” means that cooperation is required as long as it would not interfere with the efficient administration of the state’s UC law. DOL anticipates that it would be exceedingly rare that such cooperation would interfere with the efficient administration of state UC law.

For states and state UI agencies, this means that disclosure of confidential UC information, including wage records, to DOL or ED, to carry out the evaluations under the Federal statutory authorities identified above are mandatory. In addition, these disclosures must be conducted in accordance with the safeguards and security requirements specified in 20 CFR Part 603.9, the requirements governing agreements in 20 CFR Part 603.10, and the requirements for payment of costs under 20 CFR Part 603.8(a).

8. WIOA State Plans.

Sections 102 and 103 of WIOA require each state to submit a Unified State Plan (that fosters strategic alignment of the core programs), or a Combined State Plan (that aligns core programs with at least one additional partner program). The Unified and Combined State Plan requirements improve service integration, ensure that the workforce system is industry-relevant, respond to the economic needs of the state, and match employers with skilled workers. Also, the Unified or Combined State Plan will include strategic and operational planning elements to facilitate the development of an aligned, coordinated, and comprehensive workforce development system.

Federal guidance for development and submission of Unified and Combined State Plans will be issued through a TEGL. According to section 102(c)(1)(A), State Plans for Program Year 2016 must be submitted to the Secretary of Labor by March 3, 2016.

Unified Plan (WIOA Section 102):

At a minimum, states must submit a Unified State Plan, which encompasses the core programs under WIOA. Although UI is not a core program, state UI agencies should be actively engaged in the development of the state's WIOA plan, whether Unified or Combined, to ensure both that unified workforce services strategies are being developed in a manner that will best meet the needs of UI claimants, including the return to meaningful employment, and that UI programs and services are fully integrated into the one-stop service delivery system.

As discussed above, state UI agencies need to participate in implementation planning with the State Board and other core, required, and optional one-stop partner programs to support development and implementation of the state plan. UI programs intersect with core program operations in a variety of key ways that should be reflected throughout the Unified Plan, including the following:

- Being a required partner in the one-stop delivery system, with related responsibilities for delivery of career services and supporting operational costs (discussed in section 4 of this UIPL);
- Partnering with state ES programs to provide Wagner-Peyser ES services to UI claimants (discussed in section 5 of this UIPL);
- Developing strategies to integrate data and information technology systems (discussed in section 6 of this UIPL); and
- Supporting workforce system performance and evaluation through access to wage records (discussed in section 7 of this UIPL).

Combined Plan (WIOA Section 103):

A state may elect to submit a Combined State Plan that would include the core programs plus one or more additional programs listed in WIOA Section 103(a)(2), such as UI. The Combined Plan will include all of the common planning elements included in the Unified State Plan, plus elements describing how the state will align the additional partner programs with the core programs.

If a state elects to include UI as a partner in a Combined Plan, ETA expects that the state will submit its State Quality Service Plan (SQSP) through the Combined Plan process. The SQSP must be prepared in accordance with the instructions in ET Handbook 336, 18th Edition. ETA does not expect to make any change to the established SQSP cycle if a state submits a Combined Plan that includes UI.

Additionally, as UI is part of the broader workforce system, a key goal for the UI program is to ensure that claimants are able to successfully return to work. As such, the SQSP, as part

of the Combined Plan, would need to reflect coordination with other WIOA Combined Plan programs to demonstrate a coordinated effort and integrated service delivery. The coordination must be described in the State Plan Narrative portion of the SQSP.

9. **Action Requested.** State agency administrators are requested to provide information contained in this UIPL to appropriate staff and are encouraged to: 1) work with other workforce partners to develop strategies to implement WIOA and to support development of the state's Unified or Combined Plan; 2) develop strategies to effectively integrate and leverage reemployment programs and resources to support effective reemployment of UI claimants; and 3) begin working collaboratively with partner programs to develop strategies for integrated data systems.

10. **Inquiries.** Please direct questions to the appropriate ETA regional office.

11. **Attachments.**

- Attachment: References

Attachment

References

- Workforce Innovation and Opportunity Act (Pub. L. 113-128), Title I;
- Workforce Investment Act (Pub. L. 105-220), Title I;
- Wagner-Peyser Act of 1933, as amended by WIOA;
- Family Educational Rights and Privacy Act, 20 USC 1232g;
- Section 1137 of the Social Security Act (SSA), 42 U.S.C. 1320b-7;
- Unemployment Compensation Amendments of 1993 (Pub. L. 103-152), Section 4, SSA Section 303(j);
- 20 CFR Part 603, Federal-State Unemployment Compensation (UC) Program; Confidentiality and Disclosure of State UC Information;
- UIPL No. 16-15, Unemployment Insurance (UI) Supplemental Funding Opportunity for Program Integrity and Performance and System Improvements;
- UIPL No. 13-15, Fiscal Year (FY) 2015 Unemployment Insurance (UI) Reemployment Services and Eligibility Assessments (RESEA) Grants;
- UIPL No. 12-01, Change 1, Outsourcing of Unemployment Compensation Administrative Functions – Claims Taking;
- UIPL No. 12-01, Outsourcing of Unemployment Compensation Administrative Functions;
- UIPL No. 41-94, Unemployment Insurance Program Requirements for the Worker Profiling and Reemployment Services System;
- TEGL No. 31-14, Early Operating Guidance for Implementation of the Workforce Innovation and Opportunity Act (WIOA or Opportunity Act);
- TEGL No. 27-14, Workforce Innovation and Opportunity Act Transition Authority for Immediate Implementation of Governance Provisions;

Attachment

References

- TEGL No. 19-14, Vision for the Workforce System and Initial Implementation of the Workforce Innovation and Opportunity Act;
- TEGL No. 15-14, Implementation of the New Uniform Guidance Regulations;
- TEGL No. 12-14, Allowable Uses and Funding Limits of Workforce Investment Act (WIA) Program Year (PY) 2014 funds for Workforce Innovation and Opportunity Act (WIOA) Transitional Activities;
- TEGL No. 5-14, Workforce Innovation and Opportunity Act Announcement and Initial Informational Resources;
- Employment and Training Administration published Financial Management Technical Assistance Guides at http://www.doleta.gov/grants/pdf/TAG_PartI.pdf - and http://www.doleta.gov/grants/pdf/TAG_PartII_July2011.pdf.
- Impact of the Reemployment and Eligibility Assessment (REA) Initiative in Nevada at http://wdr.doleta.gov/research/FullText_Documents/ETAOP_2012_08_REA_Nevada_Follow_up_Report.pdf.