ADVISORY: **UNEMPLOYMENT INSURANCE PROGRAM LETTER 25-07**

TO: **STATE WORKFORCE AGENCIES**

FROM: **EMILY STOVER DeROCCO /s/**
Assistant Secretary

SUBJECT: **Fiscal Year (FY) 2008 Unemployment Insurance (UI) Reemployment and Eligibility Assessments (REA) Grants**

1. **Purpose.** To invite proposals from State Workforce Agencies for funding to continue or to implement UI REA initiatives; and to provide guidelines for developing the proposals and the criteria governing the use of these funds.

2. **References.** Regional Office issuances regarding the Reemployment and Eligibility Assessments 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; *Federal Register Notice* - Volume 70, Number 163, dated August 24, 2005; ET Handbook 401; www.doleta.gov/wired; ETA Occasional Paper No. 2004-01, Internet Initial Claims Evaluation - Section V, Reemployment Assistance and Continuing Eligibility; ETA Occasional Paper No. 2002-09, Significant Improvement Grants for the Provision of Reemployment Services for UI Claimants; and ETA Occasional Paper No. 2000-01, Unemployment Insurance in the One-Stop Delivery System.

3. **Background.** Reemployment of UI claimants and minimizing erroneous payments are high priorities for the UI program. A number of studies have found that attention to UI beneficiaries' efforts to find new jobs and attention to their reemployment service needs result in shorter claim durations and fewer erroneous payments.   The REA initiative was implemented to provide resources to states to focus such attention on UI beneficiaries. A total of 19 states operated REA initiatives during FY 2007.

   The Department is actively fostering the Workforce Innovation in Regional Economic Development (WIRED) initiative, which stresses the critical role talent development plays in creating effective regional economic development strategies and is designed to expand employment and advancement opportunities for workers while simultaneously catalyzing the creation of high-skill, high-wage jobs. States applying for a continuing or new REA grant should consider how they may integrate REA activities with the WIRED initiative in their states.

| RESCISSIONS None | EXPIRATION DATE July 13, 2008 |

4. **FY 2008 Funding.** Funding for the REA initiative was requested in the President's Budget for FY 2008. Based on the amount of funds anticipated, up to 34 additional states may be funded and/or existing REA programs could be expanded in states currently participating in this initiative. All states may submit proposals to implement or continue REA initiatives.

   The final appropriation will determine the number of states funded and the level of funding. States currently operating an REA initiative may submit proposals to continue at their same funding level or develop a proposal to expand their initiatives to a larger number of beneficiaries. Funds will be awarded in the following order until all available funds have been awarded:
   a. States continuing at their current funding level
   b. New states competing for funding to implement an REA initiative at the level of 10,000
   c. States expanding their current REA initiative
   d. New states proposing to implement an REA initiative at a level greater than 10,000 REAs (see Attachment A)

   States that are requesting continued funding at FY 2007 funding levels need only to submit information concerning proposed expenditures for the REA initiative along with a completed REA Cover Sheet (see Attachments B and C) and standard budget documents (see number 6 below). If the state anticipates making changes to its FY 2007 REA initiative, a description of the proposed changes must be submitted with the state's request for funding. As indicated above, if a state wishes to submit a proposal to expand its REA initiative, the portion of funds required to expand the state's REA program will be considered if sufficient FY 2008 funds are available.

5. **Guidelines.** Funds must be used to determine the continuing eligibility and reemployment needs of UI beneficiaries and are not intended to supplant UI grant funds devoted to eligibility reviews. States do not have to implement the REA initiative statewide, and assessments are to be conducted only for UI beneficiaries who do not have a definite return-to-work date.

   Providing general information about the labor market, developing a work search plan, assessing an individual's need for reemployment services, and making referrals to reemployment services are a part of the UI program's responsibilities for assuring that claimants are doing what a reasonable person in his or her circumstances should do to find suitable work, and are an integral part of the REA effort. However, providing reemployment services such as resume writing or interviewing workshops and job finding/placement activities are not permissible uses of UI grant funds, and these costs should not be included in the proposal.

   The following guidelines also apply:

   a. REAs must be staff-assisted and conducted in-person at One-Stop Career Centers. UI beneficiaries must be required to report in-person to the One-Stop Career Center within a specified period of time as a part of the assessment.

   b. Assessments must include:

      1. A review of continued eligibility and referral to adjudication, as appropriate, when a potential issue is identified.
      2. The provision of labor market information.

   3. A work-search plan development or review.
   4. A referral to employment services (e.g. job search assistance workshops or job placement services) or to skill or occupational training, when appropriate.

   c. A measure of program effectiveness will be derived by comparing outcomes for REA program participants with outcomes for a similar group of claimants who did not participate in the REA program. Therefore, states receiving REA grant funds must agree to develop a methodology for identifying a comparison group; however, the specific methodology to be utilized is not required to be included in the state's REA proposal. DOL will provide states with technical assistance in developing an appropriate comparison group methodology, if needed, to ensure that the comparison group will provide an accurate population for assessing the results of the state's REA initiative against the comparison group.

   d. 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. 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 the one-time funds for the development of these reports. The ETA 9128 and ETA 9129 were approved by the Office of Management and Budget under Paperwork Reduction Project No. 1205-0456, which expires on March 31, 2009.

   e. The state must agree to participate in any U.S. Department of Labor (DOL) funded studies of the effectiveness of this UI REA initiative. Results may be used to prepare a report to Congress.

6. **<u>Proposal Format and Instructions.</u>** 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 provides the guidance for states that have previously received a REA grant. Attachment C is the Cover Sheet and is required for all requests/proposals. 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, for example, expenditures for the number of REA interviews to be funded.

7. **<u>UI REA Grant Scoring Criteria.</u>** The REA scoring criteria are explained in Attachment A and apply to those 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 less 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 will work cooperatively in planning, developing, testing, and implementing this project;
   c. The proposed expenditures are appropriate; and
   d. The state can provide the required reports data.

9. **Time Lines.**
   a. States must submit proposals to the National Office by September 8, 2007.
   b. Award notifications will be made prior to December 1, 2007, or within 20 days after enactment of the FY 2008 appropriations for state UI operations.
   c. States must submit an SF 424, and SF 424A within 10 days of the award notification.
   d. Grant awards will be made with the final allocation of selected states' FY 2008 budget, if the appropriation includes such funds.
   e. The deadline for obligation of all REA grant funds not designated for automation acquisition is December 31, 2008, and the deadline for liquidation/expenditure is 90 days later. The deadline for all funds that are designated for automation acquisition is September 30, 2010, and the deadline for liquidation/expenditure is 90 days later.

10. **Action Required.** State Administrators are requested to:
    a. Provide information contained in this Unemployment Insurance Program Letter 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 no later than September 8, 2007.
    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 Diane Wood at 202-693-3212, or wood.diane@dol.gov.

12. **Attachments.**
    A. UI REA Proposal Outline for First Year REA Grants
    B. UI REA Proposal Outline for Subsequent Year REA Grants
    C. Unemployment Insurance Reemployment and Eligibility Assessments Cover Sheet

UI 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 C.

2. **Project Costs.** Proposals must include a description of proposed expenditures and a projected schedule for significant project activities. Any proposed expenditures that do not include all of the required information requested 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. Incremental costs will be funded only if funding is available. If the state wishes to provide more than 10,000 REAs the costs for additional REAs should be identified as 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 one-time 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. 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

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

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

ii. **Other.** Include costs for other activities and/or equipment, not identified above. Each cost should be broken down to the specific cost item with a description of each cost and the associated costs for each item requested. 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 all key aspects of the design. States should explain what will occur when the claimant reports to the One-Stop Career Center for an REA. The description should answer the following questions and address the type of interaction that will occur between the UI staff and any other One-Stop Career Center staff providing UI REA services:

- How will beneficiaries be selected for the assessments? The proposal should identify the target group for their REA initiative. For example, states have tried varied 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.
- What are the proposed staffing arrangements for conducting assessments at the One-Stop Career Center facility (e.g., assessments will be performed by UI staff, "contracted" staff or others)? States should ensure that proposed staffing arrangements have been agreed upon by all parties prior to submitting the REA proposal.
- How will beneficiaries be referred to reemployment services?
- How will staff training be conducted?
- How will eligibility issues be referred to UI adjudication staff, as appropriate?

- How will assessments be structured (e.g., describe how the beneficiaries will participate)?
- How will information be shared among UI staff and other staff and how will the work search/services plan and related activities be documented? For example, if service plans are developed, what will they include and what will be the beneficiaries' responsibilities? If service plans are not developed, how will information be documented?
- What feedback loop will provide information to the UI program 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.
- How will REA services be integrated with the WIRED initiative in the state?

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

The proposal must 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. The proposal should describe which services are currently provided to the selected beneficiary population. If the state has conducted a study of unmet service needs of this population, the study's findings should be included. 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):**

Provide 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 each significant milestones or steps 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.

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

UI REA PROPOSAL OUTLINE FOR SUBSEQUENT YEAR REA GRANTS

1. **UI REA Grant Project Requirements.** States that have previously received an REA grant should use this outline to develop a grant proposal. All proposals must include the *Cover Sheet* found in Attachment C.

   Please answer the following question:

   Is the state proposing to expand the number of REAs over the number conducted in FY 2007? _____ NO _____ YES

   If yes, please provide project costs and describe any program changes such as a change in the number of REA sites, number of REAs conducted per site, etc., in Number 3 below.

2. **Project Costs. Please refer to Attachment A, Items Number 2 and 3 (scoring does not apply to subsequent year grants). The following information is required**:

   - Total Minimum Fixed Costs
   - Total Incremental Costs (if applicable)
   - Total Staff Costs (Please see Attachment A, Number 3, for the **required format. Proposals must include position-title, # hours and cost per hour.)**
   - Other Costs:

3. **REA Required Reports:** States have been given funds to develop both the ETA 9128 and the ETA 9129 reports. Both reports are critical to evaluating the REA initiative. States that have not submitted timely reports should include both an explanation of the difficulties that have resulted in the delay and a timeline for submitting all reports due.

4. **Project Design**. States must describe any changes that they propose to implement based upon their experience with the program. If changes are proposed refer to Attachment A, Number 3 b. to describe the changes. Also, states should describe any change made or proposed in the composition of the REA comparison group.

   Describe how REA services might be integrated with the WIRED initiative in the state.

   If no changes are proposed for the REA initiative the state should indicate "no change" for this item.

5. **Supporting Materials.** States may attach additional information related to their REA initiative, e.g., the effectiveness of the state's REA initiative, lessons learned, etc.

UNEMPLOYMENT INSURANCE
REMPLOYMENT and ELIGIBILITY ASSESSMENTS
COVER SHEET

State Name:	

Name and Title of Grant Notification Contact (*Usually the State Agency Administrator*):
        Name:
        Title:	

REA Project Contact. *The person who can answer questions about the REA proposal.*	Name:
	Telephone:
	E-mail:
Total REA Project Cost. *The total amount of funds requested for the REA initiative.*	$
Total Service Delivery Staff Cost. *The total amount of funds requested for staff that will conduct the REAs and excludes other management costs.*	$
Total Management Costs. *The total amount of funds requested for administrative/management costs excluding cost of staff who will conduct the REAs.*	$
Staff and Management Costs per REA. *The sum of service delivery staff costs and management costs divided by the number of planned REAs.*	$
Staff Training Costs *The total amount of funds requested for staff training to conduct REAs.*	$
Projected Time for REA, Including Paperwork. *The total amount of time spent preparing for the REA, conducting the REA, recording results and other documentation.*	
Total Number of REA Sites. *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.*	
Type of Staff Conducting REAs. *Describe the staff that will conduct the REAs (e.g., UI, One-Stop, Contract, or a combination of staff)*	