

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D. C. 20210	CLASSIFICATION
	OWS
	CORRESPONDENCE SYMBOL
	OIS/DFAS
	ISSUE DATE
	June 19, 2002
RESCISSIONS	EXPIRATION DATE
None	Continuing

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

- Purpose.** To change the effective date of Unemployment Insurance Program Letter (UIPL) No. 39-97, Change 1, to July 1, 2002.
- Reference** [UIPL No. 39-97](#), dated September 12, 1997; [UIPL No. 39-97, Change 1](#), dated January 16, 2002.
- 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

- 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.
- Action Required.** Administrators are requested to provide this information to the appropriate staff.
- Questions.** Questions should be addressed to the appropriate Regional Office.