

Employment and Training Administration Advisory System U.S. Department of Labor Washington, D.C. 20210	CLASSIFICATION Reed Act
	CORRESPONDENCE SYMBOL DL
	DATE March 19, 2003

**TRAINING AND EMPLOYMENT GUIDANCE LETTER No. 18-01
CHANGE 1**

TO: ALL STATE WORKFORCE LIAISONS
 ALL STATE WORKFORCE AGENCIES
 ALL STATE WORKER ADJUSTMENT LIAISONS
 ALL ONE-STOP CENTER SYSTEM LEADS

FROM: EMILY STOVER DeROCCO
 Assistant Secretary

SUBJECT: Reed Act – Questions and Answers

1. Purpose. To answer questions related to the use of Reed Act funds that have arisen since the issuance of Training and Employment Guidance Letter (TEGL) 18-01.

2. References. Section 209 of the Temporary Extended Unemployment Compensation Act of 2002 (TEUCA), which is Title II of the Job Creation and Worker Assistance Act of 2002, Public Law No. 107-147, signed by the President on March 9, 2002; Title IX of the Social Security Act (SSA); the Federal Unemployment Tax Act (FUTA); the Wagner-Peyser Act; TEGL 18-01 (67 Fed. Reg. 34730 (May 15, 2002)); TEGL 24-01; and Unemployment Insurance Program Letter (UIPL) 39-97 (62 Fed. Reg. 63960 (December 3, 1997)), UIPL 39-97, Change 1 (January 16, 2002) and UIPL 20-02 (April 4, 2002).

3. Background. TEGL 18-01 described the permissible uses of the \$8 billion Reed Act distribution that was made to the states' accounts in the Unemployment Trust Fund on March 13, 2002. In general, this distribution is available for the payment of unemployment compensation (UC) and the administration of state UC laws and public employment offices.

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Since the issuance of TEGL 18-01, the Department has received questions concerning permissible uses of Reed Act funds. In addition, the Department has reviewed state legislative proposals appropriating the Reed Act funds, some of which raised issues of consistency with federal law. The following Questions and Answers address these matters.

4. Action. State administrators should distribute this advisory to appropriate staff. States must adhere to the requirements of federal law that are contained in this advisory.

5. Inquiries. Questions should be addressed to your Regional Office.

6. Attachment.

REED ACT DISTRIBUTIONS UNDER THE TEMPORARY EXTENDED
UNEMPLOYMENT COMPENSATION ACT OF 2002 - QUESTIONS AND ANSWERS