

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION UI RESEA
	CORRESPONDENCE SYMBOL OUI/DUIO
	DATE July 16, 2018

ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 08-18

TO: STATE WORKFORCE AGENCIES

FROM: ROSEMARY LAHASKY /s/
Deputy Assistant Secretary

SUBJECT: Fiscal Year (FY) 2018 Funding Allotments and Operating Guidance for Unemployment Insurance (UI) Reemployment Services and Eligibility Assessment (RESEA) Grants

1. **Purpose.** To direct states currently operating RESEA programs to continue RESEA activities in a manner consistent with their approved FY 2017 RESEA grant application, provide final FY 2018 funding allotments, identify provisions of FY 2017 RESEA operating guidance that will remain in effect during FY 2018, and inform states of new flexibilities available for administration of the RESEA program.

2. **References.**

- Consolidated Appropriations Act, 2018, Pub. L. No. 115-141;
- Bipartisan Budget Act of 2018, Pub. L. No. 115-123;
- Continuing Appropriations Act, 2018, Pub. L. No. 115-56, Division D;
- Consolidated Appropriations Act 2017, Pub. L. No. 115-31, Division H;
- Unemployment Insurance Program Letter (UIPL) No. 3-17, *Fiscal Year (FY) 2017 Unemployment Insurance (UI) Reemployment Services and Eligibility Assessment (RESEA) Grants*;
- UIPL No. 3-17, Change 1, *Fiscal Year (FY) 2017 Unemployment Insurance (UI) Reemployment Services and Eligibility Assessment (RESEA) Grants*; and
- Training and Employment Notice (TEN) No. 18-16, *Pathways to Reemployment Tools and Resources*.

3. **Background.** The federal-state UI program is a required partner in the comprehensive, integrated workforce system. Individuals who have lost employment due to lack of suitable work and have earned sufficient wage credits may receive UI benefits if they meet initial and continuing eligibility requirements. Since 2005, the U.S. Department of Labor (Department) and participating state UI agencies have been addressing individual reemployment needs of UI claimants, and working to prevent and detect UI improper payments, through the voluntary UI Reemployment and Eligibility Assessment (REA) program and, beginning in

RESCISSIONS None	EXPIRATION DATE Continuing
----------------------------	--------------------------------------

FY 2015, through the voluntary RESEA program. Because there is strong evidence that these programs and service delivery strategies work, they have been a high priority for the Department's Employment and Training Administration (ETA).¹ At the end of FY 2017, a total of 51 states and jurisdictions were operating a RESEA program.

On February 9, 2018, the President signed the Bipartisan Budget Act of 2018, Public Law 115-123 (BBA), which continued funding for government operations at FY 2017 levels through March 23, 2018. The BBA also included amendments to the Social Security Act (SSA) that create a permanent authorization for the RESEA program. These RESEA provisions are contained in Section 30206 of the BBA, enacting new Section 306 of the SSA. On March 23, 2018, the President signed the Consolidated Appropriations Act of 2018, which provided funding for the remainder of FY 2018. The Consolidated Appropriations Act of 2018 directs that RESEA target services to transitioning veterans receiving Unemployment Compensation for Ex-Service members (UCX) and claimants receiving Regular UI, including those who are profiled as most likely to exhaust benefits. UIPL No. 3-17, Change 1, provided additional information about RESEA targeted populations that will remain in effect for FY 2018 funds. The Consolidated Appropriations Act of 2018 also delayed implementation of the new RESEA program established by the BBA's amendments to the SSA.

4. **Operating Guidance.** The Department is currently developing an implementation plan, which will include necessary guidance and technical assistance to states on implementation of the new RESEA program prescribed in Section 306 of the SSA. ETA will provide details of this plan in the coming months.

Except for the changes to RESEA-required activities that allow states additional flexibility, as described in Section 5 below and Attachment A, the FY 2017 RESEA operating guidance (UIPL No. 3-17, *Fiscal Year (FY) 2017 Unemployment Insurance (UI) Reemployment Services and Eligibility Assessment (RESEA) Grants* and UIPL No. 3-17, Change 1) will remain in effect for FY 2018. New operating guidance will be issued for FY 2019, which will begin the transition to the new RESEA requirements.

5. **Required RESEA Services.** The primary goals for the RESEA program are to ensure an individual claiming unemployment compensation (UC) continues to be eligible for UC, and to connect the claimant to reemployment services available in American Job Centers (AJCs) that support the claimant's return to work at the earliest possible time. To support these goals, the Department has revised RESEA-required activities described in Section 9 of UIPL No. 3-17 to provide states with greater flexibility in RESEA design and service delivery. The following elements are the new core components of a RESEA that must be included as part of the initial session with a UC claimant:

- UI eligibility assessment, including review of work search activities, and referral to adjudication, as appropriate, if an issue or potential issue(s) is identified;

¹ IMPAQ International. January 2012. Impact of the Reemployment and Eligibility Assessment Initiative in Nevada; and IMPAQ International. June 2011. Impact of the Reemployment and Eligibility Assessment Initiative.

- Providing labor market and career information that addresses the claimant's specific needs;
- Enrollment in Wagner-Peyser Act-funded Employment Services;
- Providing support to the claimant to develop and implement an individual reemployment plan; and
- Providing information and access to AJC services and providing referrals to reemployment services, and training as appropriate, to support the claimant's return to work.

These changes provide states greater flexibility and discretion in providing RESEA services. Attachment A contains a side-by-side comparison of the FY 2017 and FY 2018 core components, and a summary of the changes and their impact. While implementing the modified required components of a RESEA, states should consider strategies that will be most effective in achieving improved employment outcomes for claimants with the goal of reducing benefit duration. Beginning in FY 2019, the new RESEA provisions in Section 306, SSA, require states to use evidence-based practices to deliver RESEAs.

Requirements for the subsequent RESEA session with a UC claimant, if provided, are unchanged from FY 2017 and must include, at a minimum, a UI eligibility assessment and review and/or update of the claimant's individual reemployment plan. Please note that the UI eligibility assessment and support of the development of an individual reemployment plan must continue to be provided on a one-on-one basis for both the initial and, if applicable, the subsequent RESEA. Additionally, the FY 2018 appropriations act continues the requirement that RESEA services be provided in-person.

States are also strongly encouraged to promote the use of the My Reemployment Plan tool developed, in part, to fulfill the individual reemployment plan requirement. TEN No. 18-16 provides additional information about the My Reemployment Plan, and related tools and resources. A PDF version of the My Reemployment Plan and related introductory videos are available at: <https://rc.workforcegps.org/>.

Please note that the list above identifies the minimum core requirements, and states may opt to include additional reemployment services, including any previously-required RESEA activities that states currently provide. Additionally, any substantial financial or programmatic changes to the state's RESEA program resulting from implementation of this new flexibility must be approved by submitting an appropriate grant modification request.

6. **FY 2018 Funding.** The Consolidated Appropriations Act of 2018 provides a total of \$120 million for RESEA activities during FY 2018, an increase of \$5 million over the FY 2017 funding level. The BBA and preceding continuing resolutions provided a total of approximately \$54.4 million to support RESEA activities. These funds were distributed to states earlier this year through a series of "bridge funding" grants intended to allow states to maintain operations while awaiting final FY 2018 appropriations. Therefore, approximately \$65.5 million in new funding is currently available and the state-level distribution of these funds is provided in Attachment B.

The levels presented in Attachment B were calculated using the same methodology applied to FY 2017 funding limits, which is based on a state workload of 18 percent of projected UI first-payments during FY 2018 and each state's FY 2017 cost per initial RESEA. Workload calculations were increased from the 10 percent of UI first payments used during FY 2017 to reflect the increase to the RESEA program resources for FY 2018. Each individual state may request an amount up to the award limit provided in Attachment B and has discretion to request a lesser amount based on appropriate factors such as capacity and program trends. To prevent significant fluctuations in funding levels and disruptions in service delivery, ETA applied minimum and maximum funding limits. These limits include a minimum funding increase of 3.5 percent and a maximum increase of 7 percent from FY 2017 authorized funding limits (see UIPL No. 3-17, Attachment C). Funding limits for the two states that implemented new RESEA programs in FY 2017 and were subject to reduced maximum funding levels to account for initial implementation activities, were calculated using the full funding level that they would have received in FY 2017, if each had been a continuing state. Grant recipients may be required to revise budget documents prior to award execution to account for potential changes in final funding availability.

At this time, we do not anticipate additional FY 2018 funds becoming available. However, states with both capacity and demand for additional RESEA services should include this information in their transmittal email. States providing this information will be contacted if additional funds become available, thus allowing the Department to provide supplemental resources.

7. **Period of Performance.** For operational purposes, states are strongly encouraged to continue to design and operate their RESEA programs based on a calendar year schedule. Therefore, FY 2018 funds should be obligated between January 1, 2018 and December 31, 2018 and liquidated no later than March 31, 2019. However, the official period of performance for FY 2018 RESEA funds will be January 1, 2018 through September 30, 2019, and funding must be liquidated by December 28, 2019. This longer period of performance reflects the late award of funds and is intended to provide states with greater flexibility if opting to modify the RESEA program to incorporate the increased flexibilities explained in this UIPL.
8. **Action Requested.** State agency administrators in states operating RESEA programs are requested to:
 - Provide information contained in this UIPL to appropriate staff.
 - Submit the following information via e-mail to OUI.SBR@dol.gov:
 - Revised SF-424 and SF-424A reflecting the total funds needed to operate the RESEA program for 2018 calendar year. These total funds include those funds that the state may have received as “bridge funding” earlier this year as well as new funds required to operate the program for the remainder of this calendar year (2017). Attachment B provides the final FY 2018 maximum allotments;
 - A determination of capacity and demand for supplemental funds, if they become available, including funds needed and number of additional participants that would be served if supplemental funding is provided; and

- An appropriate grant modification request, if there are substantial changes from the FY 2017 approved RESEA plan.

9. Inquiries. Please direct questions to the appropriate ETA Regional Office.

10. Attachments.

- Attachment A: Summary of Changes to Reemployment Services and Eligibility Assessment (RESEA) Program Requirements
- Attachment B: Final Fiscal Year 2018 Allotments