

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION UI
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ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 7-21

TO: STATE WORKFORCE AGENCIES

FROM: JOHN PALLASCH /s/
Assistant Secretary

SUBJECT: Performance Measures for Reemployment Services and Eligibility Assessments (RESEA) and Unemployment Insurance (UI) participants.

1. **Purpose.** To announce the RESEA reemployment core measure; and program performance measures for Median Earnings for RESEA program participants and Reemployment Rate for all UI Eligible participants.
2. **Action Requested.** The Employment and Training Administration (ETA) requests that States distribute the information in this Unemployment Insurance Program Letter (UIPL) to the appropriate state UI and workforce development system staff.
3. **Summary and Background.**

a) **Summary**— The Workforce Innovation and Opportunity Act (WIOA) sets out expectations for the Wagner-Peyser Act-funded Employment Service (ES) program (hereinafter ES program) to support the reemployment of UI claimants. Section 306 of the Social Security Act (SSA) which authorizes the RESEA program similarly focuses on reemployment of UI claimants. Both statutes speak to integrated service delivery in the context of the broader workforce system and focus on performance outcomes. In this UIPL, ETA announces three new performance measures for the RESEA and UI programs:

- Reemployment Rate in the 2nd Quarter after Program Exit Quarter for RESEA Program Participants (a Core Measure);
- Median Earnings in the 2nd Quarter after Program Exit Quarter for RESEA Program Participants (a Program Performance Measure); and
- Reemployment Rate for all UI Eligible Participants in the 2nd Quarter after Program Exit Quarter (a Program Performance Measure).

The first two new measures above are designed to focus on RESEA program performance, given that the RESEA program is now permanently authorized within the context of the broader workforce development system. The third measure will evaluate the reemployment rate for all UI eligible participants receiving reemployment services.

RESCISSIONS UIPL No. 17-08 UIPL No. 01-06	EXPIRATION DATE Continuing
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All three measures align with the WIOA primary indicators of performance and will utilize data that states already report for the ES program, and will assist ETA and states in assessing state performance related to the employment outcomes of RESEA participants.

This guidance also informs states of ETA's discontinuance of the Facilitate the Reemployment of UI Claimants (a Core Measure) and the repeal of UIPL Nos. 17-08 and 01-06.

Core Measures are considered critical indicators of the overall performance of the program and have an established acceptable level of performance (ALP) or target, associated with the measure. If the ALP for Core Measures is not met by State Workforce Agencies (SWAs), it signals fundamental impairment in program operations that requires corrective action. SWAs are expected to submit corrective action plans (CAPs) to address these performance deficiencies as part of their annual State Quality Service Plan (SQSP). Program Performance Measures do not have an associated ALP or target established. However, these measures alert state and Federal managers of performance issues that could result in lower performance on Core Measures, and are useful for performance analysis and inform technical assistance needs.

- b) **Background**—historically, it has been a goal of the UI and ES systems, and other workforce development programs, to support the rapid reemployment of UI claimants. Doing so helps the claimant quickly reestablish earning power and also saves state UI trust funds from paying more benefits than necessary. The enactments of WIOA (Public Law No. 113-128) and the Bipartisan Budget Act of 2018 (Public Law No. 115-123) reinforce this goal. Public Law No. 115-123 permanently authorized the RESEA Program as Section 306 of the SSA.

One of the key goals of the RESEA program is to improve employment outcomes of individuals who receive UI compensation and to reduce the average duration of receipt of such compensation through reemployment. A second key goal is to promote alignment of the RESEA program with the broader vision of WIOA and to establish RESEA as an entry point into other ES programs. Beginning in Fiscal Year 2017, ETA requires that RESEA participants be co-enrolled in the ES program as part of the initial RESEA session. Using ES program data to assess a state's RESEA and UI program performance will not result in additional reporting burden, since both the WIOA and UI programs will use the same data source and method of assessment to effectively promote both of these goals.

States currently collect and report the data needed to calculate both reemployment rates and median earnings as part of the performance reporting requirements under WIOA. States submit their data via the Workforce Integrated Performance System (WIPS), which is ETA's management information system for capturing WIOA performance data. States submit individual record data using the Participant Individual Record Layout (PIRL) (ETA 9172 Report) through WIPS as part of the quarterly and annual performance reporting requirements. The PIRL provides a standardized set of data elements, definitions, and reporting instructions to describe the characteristics, activities, and

outcomes of WIOA participants. Additional information on the PIRL elements are at the following link:

https://www.doleta.gov/performance/pfdocs/ETA_9172_DOL_PIRL_1.18.18.pdf

As stated in Section 7a of UIPL No. 15-19, the “Facilitate the Reemployment of UI Claimants” core measure was discontinued as of September 30, 2019, together with the requirement that states submit the quarterly ETA 9047 Report (Reemployment of UI Benefits Recipients) to ETA in anticipation of these new measures and to maintain alignment with WIOA standards.

Additionally, ETA is repealing UIPL No. 17-08, which originally announced the Facilitate the Reemployment of UI Claimants core measure, as well as UIPL No. 01-06 that announced the approval of the data collection vehicle (ETA 9047 Report) for this same core measure.

c) **Summary of the Comments Received from the Notice Published in the Federal Register.**

In May 2019, ETA published a notice in the *Federal Register*, 84 Fed. Reg. 24,819, soliciting comments on three proposed reemployment measures for the UI system. These measures were designed to align with the WIOA primary indicators of performance and utilized WIOA data collected using the PIRL. The proposed measures were:

- Reemployment Rate for all UI Eligible Individuals in the 2nd Quarter after Program Exit (as a Core Measure replacing the existing Facilitate the Reemployment of UI Claimants Core Measure);
- Reemployment Rate in the 2nd Quarter after Program Exit for RESEA Program Participants (a Program Performance Measure); and
- Median Wage in the 2nd Quarter after Program Exit for RESEA Program Participants (a Program Performance Measure).

Five states submitted comments to ETA in response to the notice in the *Federal Register*.

The following is a summary of the comments received:

- **A few comments noted the difference between RESEA and WIOA programs and how WIOA targets may not align with RESEA. Some comments also noted that the proposed WIOA standard of “2nd quarter after program exit” appeared inconsistent with RESEA’s goal of quickly returning UI claimants to employment.**

ETA Response—ETA considered this issue and explored alternatives to the “2nd quarter after program exit” timeframe. As a possible alternative option, ETA examined the “1st quarter after program exit” measure, which would be the earliest “reemployment after exit” measure that could be calculated using PIRL data. However, this measure did not address the inherent lag in using wage data.

Additionally, minimal differences in reemployment outcomes were noted using the measures of 1st or 2nd quarters after program exit upon reviewing the WIOA data submitted by states during the past eight quarters. ETA also examined other benchmarks such as “Date of Program Entry,” but use of this benchmark was not feasible as WIOA outcomes are based on “Date of Program Exit.”

Therefore, to promote alignment of these new performance measures with the WIOA primary indicators of performance, ETA remains committed to using the WIOA primary indicators of performance for the RESEA and UI programs.

- **A few states commented that measures should focus on populations that are likely to exhaust benefits instead of the general UI population. States also pointed out that the RESEA and WIOA populations are different and measurement across programs may be challenging.**
- **ETA Response**—ETA agrees that the focus of ETA’s reemployment performance measures should be on the RESEA population. The RESEA program is now permanently authorized, and it will serve a greater percentage of UI claimants as program participation grows. Therefore, ETA is implementing two measures solely focused on the RESEA program. Additionally, ETA is implementing the previously proposed Reemployment Rate for all UI Eligible Participants in the 2nd Quarter after Program Exit as a program performance measure. As a program performance measure, states can use the data collected as a point of comparison to the RESEA program, as well as a tool to assist with the assessment of reemployment performance for the UI program.

States have flexibility in targeting UI claimants for participation in the RESEA program. As an important customer base for the ES program, there are significant similarities in the two populations. This approach allows ETA to develop and maintain accountability for the reemployment of UI claimants as well as RESEA participants, and aligns with the goals of both WIOA and RESEA programs by focusing on integrated, seamless service delivery to participants. Therefore, ETA remains committed to the alignment of the reemployment performance measures with the WIOA primary indicators of performance.

- **A few states also requested clarification of the reporting instructions and operational processes for the measures.**

ETA Response—as data for these measures are already collected and reported by states to ETA using the PIRL, there is no additional reporting burden to the states. Section 4(c) of this UIPL provide details on the source of data, including collection and reporting processes for these measures.

- **States also questioned how performance year baseline data will inform future targets.**

ETA Response—state baseline data collected in the first performance period will inform performance targets for the core measure in subsequent performance periods based on the negotiated ES program targets. Section 4(b) of this UIPL provides details on how the ES program targets are generated. ETA will also continue to explore performance target alternatives using variables more tailored to the RESEA program as data quality and reporting improves. Moving forward, ETA intends to use baseline RESEA-specific data to develop a statistical adjustment model to enable negotiation of more refined targets of outcomes for RESEA participants only.

4. **RESEA Core and Program Performance Measures.** To support employment goals for UI claimants and the vision of WIOA for a set of primary indicators of performance to be used across workforce development programs, the following measures will assess state performance related to employment and earnings.

a) **Methodology**

- i. **Reemployment Rate in the 2nd Quarter after Program Exit Quarter for RESEA Program Participants.**

This Core Measure captures the percentage of RESEA participants who are in unsubsidized employment during the 2nd quarter after exit from the ES program.

This measure calculates the number of RESEA participants who exited during the reporting quarter who are found to be employed, by using either direct UI wage record match, Federal or military employment records, or supplemental wage information, in the 2nd quarter after the exit quarter DIVIDED by the total number of RESEA participants who exited during the reporting quarter, and expressed as a percentage. The calculation of this measure is reflected in the following equation:

$$\frac{\text{Number of RESEA Participants Reemployed in the 2nd Quarter after Program Exit}}{\text{Total Number of RESEA Participants Exiting during the Reporting Quarter}} \times 100$$

- ii. **Median Earnings in the 2nd Quarter after Program Exit Quarter for RESEA Participants.**

This Program Performance Measure is calculated by determining the wage amount that is at the midpoint of all the wages between the highest and lowest wage earned in the 2nd quarter after exit for all RESEA participants who exited the program and were employed in the 2nd quarter after exit from the ES program. Wages are currently reported as PIRL data element 1704. Note that in this calculation “wages” refers to the total earnings of a participant during a given quarter and does not refer to a wage rate. Although no target is established for a program performance measure, ETA will use the

performance data to assess overall RESEA program performance and to inform technical assistance needs.

To determine the mid-point, the 2nd quarter after exit wages recorded in PIRL element 1704 for all participants employed in the 2nd quarter after exit, collected by either direct wage record match or supplemental wage information, are sorted from lowest to highest. If an odd number of unique records have been reported, the mid-point value is defined as the value of the record located at $(n+1)/2$ on the array of records where “n” is the total unique records with 2nd quarter after exit wages. Thus, if 99 wage records are reported in the 2nd quarter after exit, the mid-point is the 50th record in the array $[(99+1)/2=50]$. If an even number of unique records has been reported, then the mid-point is the arithmetic mean of the two mid-most wage values. Therefore, if 100 wage records are in the 2nd quarter after exit, the midpoint is $(100+1)/2 = 50.5$ and the median is the mean of the two mid-most values—the value of the sum of the 50th and 51st record divided by 2. Note that for PIRL element 1704, only records that have non-zero amounts are included in the median earnings calculations.

iii. **Reemployment Rate for all UI Eligible Participants in the 2nd Quarter After Program Exit Quarter.**

This Program Performance Measure captures the percentage of UI eligible participants who are in unsubsidized employment during the 2nd quarter after exit from the ES program.

This Program Performance Measure calculates the number of UI eligible participants who exited during the reporting quarter who are found to be employed, either through direct UI wage record match, Federal or military employment records, or supplemental wage information, in the second quarter after the exit quarter DIVIDED by the total number of UI eligible participants who exited during the reporting period, and expressed as a percentage. The calculation of this measure is reflected in the following equation:

$$\frac{\text{Number of UI Eligible Participants Reemployed in the 2nd Quarter after Program Exit}}{\text{Total Number of Exiting UI Eligible Participants}} \times 100$$

b) **Establishing Targets.**

i. **Reemployment Rate in the 2nd Quarter after Program Exit Quarter for RESEA Participants**

ETA continues to work on developing a Statistical Adjustment Model that will produce RESEA-specific performance targets, which include variables more tailored to the RESEA program. The goal is to enable the negotiation of

more refined targets of employment outcomes for RESEA participants as data quality and reporting improves.

Until specific targets can be established for the RESEA program, ETA will establish performance targets for RESEA that are based on the negotiated levels of performance targets for the ES program. These negotiated performance targets are generated when ETA and states reach agreement on the negotiated levels of performance for the ES program, and includes outcomes estimated by the Statistical Adjustment Model as required by Section 116(b)(3)(viii) of WIOA. Further details on the negotiation process are outlined at the Department's website:

https://wdr.doleta.gov/directives/corr_doc.cfm?docn=3430.

The model uses actual economic conditions and the characteristics of participants served at the end of the performance period. The model is then updated and refined with ongoing use and application as WIOA outcome data become available. More detailed information is available for the Statistical Adjustment Model at the Department's website:

<https://www.doleta.gov/performance/guidance/negotiating.cfm>.

ii. **Median Earnings in the 2nd Quarter after Program Exit Quarter for RESEA Participants**

This measure will be implemented as a Program Performance Measure intended to provide states and ETA with key metrics related to RESEA performance but no performance targets will be established.

iii. **Reemployment Rate for all UI Eligible participants in the 2nd Quarter After Program Exit Quarter**

This measure will be implemented as a Program Performance Measure intended to provide states and ETA with key metrics related to RESEA performance but no performance targets will be established.

c) **Data Source.** As noted above, the data to support the performance measures will be derived from the PIRL (ETA 9172 Report). The PIRL framework allows states to organize data in a standardized format within WIPS using the various elements or data points. The following PIRL elements are used in the calculation of the measures described in Section 4 above:

- Wagner-Peyser Employment Service—the participant received services under the Wagner-Peyser Act (Data Element 918 = 1);
- Date of Program Exit—the quarter in which 90 days has passed and a participant has not received staff-assisted services and is exited from the ES program (Data Element 901);
- UI Eligible Participant—an ES participant who meets Unemployment

Compensation (UC) Eligible Status Criteria by receiving or exhausting UI benefits (also called a UI claimant) at the point of entry into the ES program (Data Element 401);

- RESEA Participants—UI claimant who is referred to ES services based on participation in the RESEA program (Data Element 401=1, RESEA);
- Employed in 2nd Quarter after Exit Quarter (Data Element 1602);
- Other Reasons for Exit (Data Element 923); and
- Wages in 2nd Quarter After Exit Quarter (Data Element 1704)

Additional information on the above PIRL elements are at this link:

https://www.doleta.gov/performance/pfdocs/ETA_9172_DOL_PIRL_1.18.18.pdf

There is no additional reporting burden to states as a result of implementing these measures since ETA will use data that are currently collected and reported by states for performance accountability purposes via the PIRL (ETA 9172 Report).

Performance Period. The performance period for these measures will be the four-quarter period ending September 30. Although the RESEA program performance year is January through December, due to a four-quarter lag (3 quarters for reemployment outcomes to be available and 1 quarter for state reporting), ETA modified the performance period as stated above in order to allow time for necessary data collection and analysis. Attachment I outlines the reporting timeline for the RESEA data.

As indicated in UIPL No. 29-20, the first performance period for this measure will be FY 2021 (October 1, 2020 – September 30, 2021). Based on the reporting timeline, the performance outcomes for FY 2021 will be available in FY 2022. Given the significant impact that Coronavirus Disease 19 (COVID-19) pandemic is likely to have on employment outcomes in FY 2021, states that do not meet performance criteria for the Core Measure (reemployment rate in the 2nd quarter after program exit quarter for RESEA program participants) for the FY 2021 will not be required to submit a corrective action plan as part of the FY 2022 SQSP submission. ETA will use the performance data from FYs 2020 and 2021 to review state performance trends and baseline state RESEA performance. However, FY 2022 performance outcomes for this Core Measure will be used by ETA for evaluation, and states that do not meet performance criteria will be required to submit a corrective action plan as part of the FY 2024 SQSP submission.

5. **Inquiries.** Inquiries should be directed to the appropriate ETA Regional Office.

6. **References.**

- Section 306, Social Security Act (SSA);
- Bipartisan Budget Act of 2018, Pub. L. No. 115-123;
- Workforce Innovation and Opportunity Act (WIOA), Pub. L. No. 113–128, 29 U.S.C. 3101 et seq.;
- Wagner-Peyser Act, as amended, Pub.L. No. 73–30, 29 U.S.C. 49 et seq.;

- Unemployment Insurance Program Letter No. 29-20, *Additional Planning Guidance for the Fiscal Year (FY) 2021 Unemployment Insurance (UI) State Quality Service Plan (SQSP)*;
- Unemployment Insurance Program Letter No. 01-06, *Collection of Data on the Facilitation of Reemployment of Unemployment Insurance (UI) Benefit Recipients*;
- Unemployment Insurance Program Letter No. 17-08, *The Unemployment Insurance (UI) Reemployment Rate Core Measure*; and
- Training and Employment Guidance Letter No. 11-19, *Negotiations and Sanctions Guidance for the Workforce Innovation and Opportunity Act (WIOA) Core Programs*.

7. Attachment(s).

Attachment I— Reporting Timeline for RESEA Data