

<b>TRAINING AND EMPLOYMENT NOTICE</b>	<b>NO .</b> 22-22
	<b>DATE</b> March 29, 2023

**TO:** STATE WORKFORCE AGENCIES

**FROM:** BRENT PARTON /s/  
Acting Assistant Secretary

**SUBJECT:** Announcing Unemployment Insurance (UI) Reemployment Services and Eligibility Assessments (RESEA) Program Outcome Payments for Fiscal Year (FY) 2022

1. **Purpose.** To announce RESEA outcome payments for FY 2022, as required by Section 306(f)(2) of the Social Security Act (SSA) and notify states of a change to the RESEA outcome payment methodology implementing RESEA reemployment targets using a regression-based statistical model.
2. **Action Requested.** The U.S. Department of Labor's (Department's) Employment and Training Administration (ETA) requests that state agency administrators provide information contained in this Training and Employment Notice (TEN) to appropriate staff. ETA will award outcome payments by March 31, 2023. States eligible for outcome payments will be contacted via email with further instructions for receiving their outcome payments.
3. **Summary and Background.**
  - a. Summary – Based on the applicable FY 2022 RESEA program performance data, ETA identified 35 states eligible for FY 2022 RESEA outcome payments. This TEN announces the allocation of the \$24,687,500 set-aside for outcome payments, as required by Section 306(f)(2), SSA, and provides notification of the transition from the interim reemployment target methodology to the permanent RESEA statistical model methodology.
  - b. Background – The Bipartisan Budget Act of 2018, Public Law 115-123 (BBA), enacted on February 9, 2018, amended the SSA to create a permanent authorization for the RESEA program. The RESEA provisions are contained in Section 30206 of the BBA, enacting new Section 306 of the SSA.

In addition to numerous new program requirements, Section 306, SSA, contains provisions for the funding of the RESEA program. Section 306(f), SSA, specifies three uses for the funding and designates the proportion of annual appropriations to be assigned to these uses:

- 1) Base funding for states to operate the RESEA program (89 percent for fiscal years 2021 through 2026, and 84 percent for fiscal years after 2026);
- 2) Outcome payments designed to reward states meeting or exceeding certain criteria (10 percent for fiscal years 2021 through 2026, and 15 percent for fiscal years after 2026); and
- 3) National technical assistance and research (the Secretary may reserve up to one percent each year after FY 2020).

On May 7, 2020, ETA published a notice in the *Federal Register* requesting public comment concerning the proposed methodology to distribute RESEA outcome payments to states each fiscal year after FY 2020 (85 *Fed. Reg.* 27,249 (2020)). On October 19, 2021, ETA published a second notice in the *Federal Register* (86 *Fed. Reg.* 57,856 (2021)) announcing the final methodology to distribute RESEA outcome payments, including ETA's responses to public comments received in response to the published proposed methodology, identification of the data sources that would be used, and a detailed description of the methodology.

The October 19, 2021, notice also announced that ETA would apply an interim methodology for the evaluation of states' RESEA reemployment performance. This interim methodology applied each state's Wagner-Peyser Act-funded Employment Service (ES) program negotiated target for the Reemployment Rate in the 2nd Quarter After Program Exit Quarter as the RESEA reemployment target. The notice explained that ETA would later transition to a statistical model for establishing RESEA-specific reemployment targets after sufficient RESEA data became available to identify, develop, and test an appropriate statistical approach. Immediately following the publication of this notice, ETA developed a regression-based statistical model based on a variety of state-level data factors directly related to RESEA and UI operations, including total unemployment rate, unemployment compensation (UC) reciprocity rate, job openings percent change from prior year, UC duration, and net jobs (gross job gains and gross job losses) by year. After testing this model against recent RESEA data, ETA determined that the statistical model and its RESEA-specific targets are a more effective and reliable means of assessing RESEA performance than the current use of ES targets.

Section 306(g), SSA, provides the Department with authority to change the RESEA allocation formula, including outcome payment methodology, 90 days after Congress is notified of the proposed change. In December 2022, the Department notified Congress of the transition to the regression-based statistical model and that the new model would be applied to FY 2022 RESEA outcome payments. The 90-day notification period will conclude on March 23, 2023.

ETA is currently preparing a prerecorded webinar that provides a more detailed explanation of the new regression-based statistical model. This webinar and additional technical assistance related to RESEA outcome payments will be posted on WorkforceGPS's *Reemployment Connections* resource page: <https://rc.workforcegps.org/>.

#### **4. FY 2022 RESEA Outcome Payments.**

Allowable Use of Funds – RESEA outcome payments are administered as an increase to an eligible state’s current FY 2022 RESEA base-funding grant. States must utilize RESEA outcome payments under FY 2022 RESEA operating guidance. FY 2022 RESEA operating guidance was published concurrently as UIPL No. 10-22 and Training and Employment Guidance Letter (TEGL) No. 05-21. These guidance documents are identical other than non-substantive changes to formatting.

5. **Inquiries.** Please direct inquiries regarding the information in this TEN to [OUI.RESEA@dol.gov](mailto:OUI.RESEA@dol.gov) and copy to the appropriate ETA Regional Office.

#### **6. References.**

- Section 306 of the Social Security Act (SSA) (42 U.S.C. 506);
- 84 *Fed. Reg.* 39018, *Allocating Grants to States for Reemployment Services and Eligibility Assessments (RESEA) in Accordance with Title III, Section 306 of the Social Security Act (SSA)*, published August 8, 2019, <https://www.federalregister.gov/documents/2019/08/08/2019-16988/allocating-grants-to-states-for-reemployment-services-and-eligibility-assessments-resea-in>;
- 85 *Fed. Reg.* 27249, *Notice Requesting Public Comment on the Proposed Methodology To Distribute Outcome Payments to States for the Unemployment Insurance (UI) Reemployment Services and Eligibility Assessments (RESEA) Program in Accordance With Title III, Section 306(f)(2) of the Social Security Act (SSA)*, published May 7, 2020, <https://www.federalregister.gov/documents/2020/05/07/2020-09803/notice-requesting-public-comment-on-the-proposed-methodology-to-distribute-outcome-payments-to>;
- 86 *Fed. Reg.* 57856, *Notice Announcing the Methodology to Distribute Outcome Payments to States for the Unemployment Insurance (UI) Reemployment Services and Eligibility Assessments (RESEA) Program in Accordance with Title III, Section 306(f)(2) of the Social Security Act (SSA)*, published October 19, 2021, <https://www.federalregister.gov/documents/2021/10/19/2021-22704/notice-announcing-the-methodology-to-distribute-outcome-payments-to-states-for-the-unemployment>; and
- UIPL No. 10-22/TEGL No. 05-21, *Fiscal Year (FY) 2022 Funding Allotments and Operating Guidance for Unemployment Insurance (UI) Reemployment Services and Eligibility Assessments (RESEA) Grants*, issued January 21, 2022, <https://www.dol.gov/agencies/eta/advisories/unemployment-insurance-program-letter-no-10-22>; <https://www.dol.gov/agencies/eta/advisories/training-and-employment-guidance-letter-no-05-21>.

#### **7. Attachment(s).**

- State Allocation of Fiscal Year 2022 Reemployment Services and Eligibility Assessments (RESEA) Outcome Payments