

TRAINING AND EMPLOYMENT NOTICE	NO. 22-23
	DATE February 29, 2024

TO: STATE WORKFORCE AGENCIES

FROM: BRENT PARTON /s/
Principal Deputy Assistant Secretary

SUBJECT: Announcing Unemployment Insurance (UI) Reemployment Services and Eligibility Assessments (RESEA) Program Outcome Payments for Fiscal Year (FY) 2023

1. **Purpose.** To announce RESEA outcome payments for FY 2023, as required by Section 306(f)(2) of the Social Security Act (SSA).
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, 2024. 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 2023 RESEA program performance data, ETA identified 43 states eligible for FY 2023 RESEA outcome payments. This TEN announces the allocation of the \$37,250,923 set-aside for outcome payments, as required by Section 306(f)(2), SSA.
 - 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, Federal Register 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. The Department transitioned to the permanent RESEA reemployment target methodology beginning with the FY 2022 RESEA outcome payments awarded in March 2023.¹ A webcast providing additional information about how the Department assesses states' RESEA performance and determines outcome payment eligibility is available at:

https://rc.workforcegps.org/resources/2019/07/30/17/31/RESEA_Performance_Reporting

ETA published [TEN No. 07-23](#) on October 6, 2023, announcing FY 2023 state-level RESEA outcome payment performance targets for the reemployment and reduced UI duration of RESEA participants. This TEN also provided states with a midyear analysis of their performance levels compared against these targets.

4. FY 2023 RESEA Outcome Payments.

- a. **Amount and Allocation of Outcome Payments** – Pursuant to the FY 2023 RESEA enacted appropriation, the Department set aside \$37,250,923 to be used for outcome payments to states. Based on the applicable FY 2023 RESEA program performance data, ETA identified 43 states eligible for FY 2023 RESEA outcome payments. The tables in Attachment 1 of this TEN identifies the allocation amounts to each qualifying state.

¹ 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 a permanent regression-based statistical model for establishing RESEA reemployment targets that was based on a variety of state-level data factors, 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. The required 90-day notification period concluded on March 23, 2023.

- b. **Allowable Use of Funds** – RESEA outcome payments are administered as an increase to an eligible state’s current FY 2023 RESEA base-funding grant. States must utilize RESEA outcome payments under FY 2023 RESEA operating guidance. FY 2023 RESEA operating guidance was published concurrently as [UIPL No. 02-23](#) and [Training and Employment Guidance Letter \(TEGL\) No. 08-22](#). These guidance documents are identical other than non-substantive changes to formatting.
- c. **Period of Performance** – To provide necessary time for states to obligate and expend their FY 2023 RESEA outcome payments, each state receiving a FY 2023 RESEA outcome payment will also receive a grant modification extending the FY 2023 RESEA grant’s period of performance. The extended period of performance allows for obligation of FY 2023 grants funds through September 30, 2025, and liquidation of the funds by December 31, 2025. The Department will process the period of performance extensions following the award of the FY 2023 RESEA outcome payments and does not require a separate state request to initiate this modification. This extension of the period of performance was necessitated by the time needed to collect and analyze outcome data used to determine RESEA outcome payment eligibility. A provision in the Department of Labor appropriation act for FY 2023 authorizes the Department to award FY 2023 RESEA outcome payments during FY 2024. Please note that these extensions are based on the maximum availability of FY 2023 funding and no further period of performance extensions will be granted.
- d. **RESEA Formula and Carry-over Limitation**–To ensure states’ timely expenditure of RESEA funding, the RESEA funding allocation formula limits the level of funds states may carry-over from previous fiscal years.² On December 11, 2023, the Department notified Congress of additional permanent modifications to the Department’s implementation of the carry-over limitation.³ Among other things, the permanent modification clarifies that states’ carry-over levels are assessed using base funding levels, which excludes outcome payments.

For additional information on the carry-over assessments and formula changes, please see [UIPL No. 08-24](#) and [TEGL No. 11-23](#).

- 5. **Inquiries.** Please direct inquiries regarding the information in this TEN to OUI.RESEA@dol.gov and copy to the appropriate ETA Regional Office.

² The RESEA funding allocation formula, as required by Section 306(f), SSA, was published on August 8, 2019, in 84 Fed. Reg. 39,018.

³ In FYs 2021 and 2022, the Department, applying the 306(g), SSA notification process, changed the formula to delay implementation of the carry-over provision to FY 2023, and then changed the formula again to temporarily-increase the carry-over limit.

6. References.

- Section 306 of the Social Security Act (SSA) (42 U.S.C. 506);
- Consolidated Appropriations Act, 2023, enacted December 29, 2022, Pub. L. 117-328
- 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>;
- UIPL No. 02-23/TEGL No. 08-22, *Fiscal Year (FY) 2023 Funding Allotments and Operating Guidance for Unemployment Insurance (UI) Reemployment Services and Eligibility Assessments (RESEA) Grants*, issued February 23, 2023, <https://www.dol.gov/agencies/eta/advisories/uipl-no-02-23>;
- TEN No. 07-23, *State Performance Targets and Midyear Performance Assessment for Fiscal Year (FY) 2023 Unemployment Insurance (UI) Reemployment Services and Eligibility Assessments (RESEA) Outcome Payments*, issued October 6, 2023, <https://www.dol.gov/agencies/eta/advisories/ten-07-23>; and
- UIPL No.08-24/TEGL No. 11-23, *Fiscal Year (FY) 2024 Funding Allotments and Operating Guidance for Unemployment Insurance (UI) Reemployment Services and Eligibility Assessment (RESEA) Grants*, issued February 21, 2024, <https://www.dol.gov/agencies/eta/advisories/uipl-08-24>.

7. Attachment(s).

- State Allocation of Fiscal Year 2023 Reemployment Services and Eligibility Assessments (RESEA) Outcome Payments