

TRAINING AND EMPLOYMENT NOTICE	NO . 03-25
	DATE December 11, 2025

TO: STATE WORKFORCE AGENCIES

FROM: LORI FRAZIER BEARDEN /s/
Acting Assistant Secretary

SUBJECT: State Performance Targets and Midyear Performance Assessment for Fiscal Year 2025 Unemployment Insurance Reemployment Services and Eligibility Assessments Outcome Payments

1. **Purpose.** To publish Fiscal Year (FY) 2025 state-level Reemployment Services and Eligibility Assessments (RESEA) outcome payment performance targets for the reemployment and reduced Unemployment Insurance (UI) duration of RESEA participants and to provide states with a midyear analysis of their performance levels compared against these targets.
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.
 - States that are currently meeting the requirements to be eligible for FY 2025 outcome payments based on this midyear analysis are encouraged to begin planning for an effective use of the funds in case they are deemed eligible for an outcome payment award in March 2026.
 - States that are not identified on the attached list are encouraged to assess their current RESEA selection and service delivery models to ensure alignment with current labor market conditions and consult available technical assistance resources and the RESEA evidence-base for possible adjustments to increase the likelihood of their eligibility for outcome payments in future years.
3. **Summary and Background.**
 - a. Summary – Section 306(f)(2) of the Social Security Act (SSA), requires the Department to annually make “outcome payments” to states that meet or exceed the outcome goals for reducing the average duration of receipt of unemployment compensation (UC) by improving employment outcomes. To implement this requirement, the Department uses statistical models to identify state-specific reemployment and UI duration targets. This TEN identifies states’ outcome payment targets for both duration and reemployment that will be used to determine FY 2025 outcome payment eligibility and provides a midyear analysis of each state’s current performance against those targets. The UI duration and

reemployment outcomes identified in this TEN are from quarter ending December 31, 2024, through quarter ending March 31, 2025.

- b. Background – As required by Section 306(f)(2)(a), SSA, RESEA outcome payments were implemented in FY 2021 and are awarded to states that meet or exceed outcome goals for reducing the average duration of receipt of UC by improving employment outcomes. On October 19, 2021, ETA published a second notice, Federal Register (86 Fed. Reg. 57,856 (2021)) announcing the final RESEA outcome payments 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. ETA then 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, UC reciprocity rate, job openings percent change from prior year, UI duration, and net jobs (gross job gains and gross job losses) by year. After testing, ETA determined that the statistical model and its RESEA-specific targets are a more effective and reliable means of assessing RESEA performance. In FY 2022, following appropriate notifications to Congress, the interim use of ES targets was discontinued and the current RESEA specific model was implemented.

ETA developed a prerecorded webinar that provides a more detailed explanation of the regression-based statistical model used to determine RESEA performance targets. This webinar and additional technical assistance related to RESEA outcome payments are posted on WorkforceGPS's *Reemployment Connections* resource page: https://rc.workforcegps.org/resources/2019/07/30/17/31/RESEA_Performance_Reporting

4. RESEA Outcome Payments Performance Targets and Results of Midyear Analysis of Performance.

To be determined eligible for an outcome payment a state must meet or exceed both its UI duration target and reemployment target. Due to the inherent lag in the collection of outcome data, this midyear analysis relies on data reported during quarters ending December 31, 2024, through March 31, 2025.

Duration Target – States must demonstrate improvement in UI duration. The measure looks at a 12-month average of each state's duration of benefits. A state's UI duration of benefits can be impacted by many different conditions, such as changes in a state's economy or changes in state law and a regression model is used to establish performance targets for a state's duration of benefits.

RESEA Reemployment Target – States must show improvement in reemployment outcomes for RESEA participants. Like the Duration Target, the RESEA Reemployment Target looks at a 12-month average for each state. RESEA reemployment performance is measured by calculating the reemployment rate for RESEA participants who secure unsubsidized employment that is during the second quarter after program exit. This data is reported to ETA through the Workforce Integrated Performance System (WIPS) and collected by the ES programs. As with the duration model, the RESEA model parameters will be refreshed each year, using the most recent three years of data.

ETA has conducted a midyear analysis of each state's performance regarding these performance targets. Attachment I to this Unemployment Insurance Program Letter (UIPL), titled *Midyear Analysis of FY 2025 Reemployment Services and Eligibility Assessments (RESEA) Targets for Outcome Payments*, provides the results of this analysis.

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

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).**

- Midyear Analysis of FY 2025 Reemployment Services and Eligibility Assessments (RESEA) Targets for Outcome Payments.