

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION UI RESEA
	CORRESPONDENCE SYMBOL OUI/DL
	DATE December 21, 2021

ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 6-22

TO: STATE WORKFORCE AGENCIES

FROM: ANGELA HANKS /s/
Acting Assistant Secretary

SUBJECT: Announcing Reemployment Services and Eligibility Assessments (RESEA) Program Outcome Payments for Fiscal Year (FY) 2021

1. **Purpose.** To announce RESEA outcome payments for FY 2021, as required by section 306(f)(2) of the Social Security Act (SSA), and provide eligible states with information on how to obtain their outcome payment allocation.
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 Unemployment Insurance Program Letter (UIPL) to appropriate staff. ETA will award outcome payments by December 31, 2021. A state receiving a RESEA outcome payment must submit information described in this UIPL via OUI.RESEA@dol.gov with a copy to the appropriate ETA Regional Office no later than 10 days after receiving the outcome payment award notice.
3. **Summary and Background.**
 - a. Summary – Based on the applicable FY 2020 RESEA program performance data, ETA identified 30 states eligible for FY 2021 RESEA outcome payments. This UIPL announces the allocation of the \$20,000,000 set-aside for outcome payments, as required by section 306(f)(2), SSA, and provides eligible states with additional instructions on how to obtain their outcome payment allocation.

As described in Section 4.a. of this UIPL, states must utilize RESEA outcome payments under FY 2021 RESEA operating guidance. However, Section 4.b. of this UIPL advises that the administrative cost limit does not apply to these outcome payment amounts.

- 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.

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In addition to numerous new program requirements, section 306, SSA, contains provisions for the funding of the RESEA program. The law 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 following the first published notice, identification of the data sources that would be used, and a detailed description of the methodology. Additionally, the October 19, 2021 notice identified a modified performance period applied solely to FY 2021 outcome payments intended to capture state performance under pre-pandemic conditions. The RESEA performance period for FY 2021 RESEA outcome payments was modified from the entire FY 2020 period to a review of outcome data from October 2019 through March 2020. This UIPL reflects the modified FY 2021 implementation of the outcome payment methodology.

4. FY 2021 RESEA Outcome Payments.

- a. Allowable Use of Funds and Period of Performance – RESEA outcome payments are administered as an increase to an eligible state's current FY 2021 RESEA base-funding grant. Except for changes to the administrative cost limit identified in Section 4.b. of this UIPL, states must utilize RESEA outcome payments under FY 2021 RESEA operating guidance. FY 2021 RESEA operating guidance was published concurrently as UIPL No. 13-21 and Training and Employment Guidance Letter (TEGL) No. 12-20. These guidance documents are identical other than non-substantive changes to formatting.

As described in Section 6.g. of UIPL No. 13-21/TEGL 12-20, the official period of performance for FY 2021 RESEA funds will be January 1, 2021, through September 30, 2022. Funding must be liquidated by December 31, 2022.

- b. Administrative Cost Limit – As described in section 6.d. of FY 2021 RESEA operating guidance (UIPL No. 13-21/ TEGL No. 12-20), the administrative costs for a state's RESEA base-funding grant are limited to 15 percent of the total grant award. Given states' limited period of availability to obligate and expend the outcome payments, ETA is removing the administrative cost limit on FY 2021 outcome payments. This change is

intended to support states in fully utilizing the outcome payments to strengthen RESEA service delivery.

- c. FY 2022 Carry-Over Threshold – The final RESEA allocation formula for base funds was published in the *Federal Register* on August 8, 2019 (84 *Fed. Reg.* 39,018), and included a 30-percent carry-over threshold limiting the amount of funds that may be carried over from the previous fiscal year. In accordance with section 306(g), SSA, the Department may change the final allocation methodology upon providing a 90-day notification to Congress before the change may take effect. On October, 24, 2021, ETA notified Congress of a change to the formula to suspend the 30-percent carry-over limit for FY 2022 grants and phase in the requirement for FY 2023 grants at the modified level of 60 percent. This change will take effect on January 23, 2022.
- d. Terms and Conditions – In addition to the Department’s standard federal award terms and conditions, the RESEA outcome payment awards will include a special condition requiring states that receive an outcome payment to submit updated budget documents (SF-424 and SF-424A) within 10 days of the award. Additional information about the SF-424 and SF-424A revisions and submission is provided in section 4.e. of this UIPL. The Department’s standard federal award terms and conditions are available at: https://www.dol.gov/sites/dolgov/files/ETA/grants/pdfs/Grant_Terms_Library-7.1.21_FINAL.pdf
- e. SF-424 and SF-424A – After receiving a RESEA outcome payment award notification, an eligible state must submit revised budget documents (SF-424 and SF- 424A) that reflect the total of all FY 2021 RESEA funds awarded. States must use the current versions of the SF-424 and SF-42A available at <http://www.grants.gov/web/grants/forms/sf-424-family.html>. States receiving a RESEA outcome payment must submit revised forms via OUI.RESEA@dol.gov with a copy to the appropriate ETA Regional Office within 10 days of the award.
- f. Grant Modifications –ETA recognizes that states will likely need to modify or extend their approved FY 2021 RESEA grants to reflect the addition of outcome payments. ETA will review and approve such requests on an individual basis. To ensure adequate time to process these modifications, which may include budget realignments and extensions, ETA requests that all modifications associated with the outcome payments be submitted to OUI.RESEA@dol.gov and copy to the appropriate ETA Regional Office no later than June 30, 2022.

5. **Inquiries.** Please direct inquiries regarding the information in this UIPL to 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;
- 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. 13-21/TEGL No. 12-20, *Fiscal Year (FY) 2021 Funding Allotments and Operating Guidance for Unemployment Insurance (UI) Reemployment Services and Eligibility Assessments (RESEA) Grants*, issued January 19, 2021, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=6686.

7. **Attachment(s).**

- State Allocation of Fiscal Year 2021 Reemployment Services and Eligibility Assessments (RESEA) Outcome Payments