

TRAINING AND EMPLOYMENT NOTICE	NO. 07-23
	DATE October 6, 2023

TO: STATE WORKFORCE AGENCIES

FROM: BRENT PARTON 
Principal Deputy Assistant Secretary

SUBJECT: State Performance Targets and Midyear Performance Assessment for Fiscal Year (FY) 2023 Unemployment Insurance (UI) Reemployment Services and Eligibility Assessments (RESEA) Outcome Payments

1. **Purpose.** To publish FY 2023 state-level RESEA outcome payment performance targets for the reemployment and reduced 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 2023 outcome payments based on this midyear analysis are encouraged to begin planning in case they are deemed eligible for an outcome payment award in March 2024. 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.
3. **Summary and Background.**
 - a. Summary – Beginning in FY 2021, 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 2023 outcome payment eligibility and provides a midyear analysis of each state’s current performance against those targets.
 - 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 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. 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, 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 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. In FY 2022, following appropriate notifications to Congress, the interim use of ES targets was discounted and the RESEA specific model was established.

ETA developed 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 is 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. Given the inherent lag in collecting outcome data, FY 2023 outcome payments will be based on outcomes associated with RESEA services and activities conducted during FY 2022.

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. Similar to 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 during the second quarter after program exit. This data is reported to ETA through the Workforce Integrated Performance System (WIPS) and collected by the Employment Services (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 UIPL, titled *Midyear Analysis of FY 2023 Reemployment Services and Eligibility Assessments (RESEA) Targets for Outcome Payment*, provides the results of this analysis.

5. **Inquiries.** Please direct inquiries regarding the information in this TEN 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, <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 2023 Reemployment Services and Eligibility Assessments (RESEA) Targets for Outcome Payment.

Midyear Analysis of FY 2023 Reemployment Services and Eligibility Assessments (RESEA) Targets for Outcome Payments

	<i>2023 Midyear Duration Component</i>			<i>2023 Midyear RESEA Reemployment Component</i>			<i>Midyear Target Results Qualifying Yes/No</i>
	State Duration (Weeks) of Benefits Performance	State Duration (Weeks) of Benefits Target	Meets Duration Target	RESEA Percent Reemployed	RESEA State Modeled Target	Meets Reemployment Target	
Alabama	7	15	Yes	11%	65%	No	No
Alaska	16	17	Yes	59%	61%	No	No
Arizona	16	18	Yes	71%	58%	Yes	Yes
Arkansas	10	15	Yes	62%	62%	Yes	Yes
California	19	22	Yes	59%	58%	Yes	Yes
Colorado	19	18	No	64%	62%	Yes	No
Connecticut	16	20	Yes	63%	62%	Yes	Yes
Delaware	13	19	Yes	75%	59%	Yes	Yes
District of Columbia	17	21	Yes	64%	57%	Yes	Yes
Florida	13	18	Yes	63%	63%	Yes	Yes
Georgia	14	19	Yes	60%	62%	No	No
Hawaii	16	23	Yes	50%	65%	No	No
Idaho	9	16	Yes	0%	62%	No	No
Illinois	17	21	Yes	65%	60%	Yes	Yes
Indiana	13	18	Yes	70%	62%	Yes	Yes
Iowa	12	17	Yes	70%	63%	Yes	Yes
Kansas	14	14	Yes	85%	59%	Yes	Yes
Kentucky	19	19	Yes	0%	61%	No	No
Louisiana	16	19	Yes	75%	61%	Yes	Yes
Maine	16	18	Yes	67%	63%	Yes	Yes
Maryland	18	12	No	59%	59%	Yes	No

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	State Duration (Weeks) of Benefits Performance	State Duration (Weeks) of Benefits Target	Meets Duration Target	RESEA Percent Reemployed	RESEA State Modeled Target	Meets Reemployment Target	
Massachusetts	18	22	Yes	68%	63%	Yes	Yes
Michigan	12	18	Yes	69%	63%	Yes	Yes
Minnesota	16	22	Yes	0%	58%	No	No
Mississippi	14	17	Yes	72%	61%	Yes	Yes
Missouri	14	16	Yes	70%	62%	Yes	Yes
Montana	12	12	Yes	69%	62%	Yes	Yes
Nebraska	13	17	Yes	72%	63%	Yes	Yes
Nevada	15	22	Yes	77%	61%	Yes	Yes
New Hampshire	12	18	Yes	2%	63%	No	No
New Jersey	19	25	Yes	58%	59%	No	No
New Mexico	17	21	Yes	60%	60%	Yes	Yes
New York	18	21	Yes	71%	59%	Yes	Yes
North Carolina	11	16	Yes	71%	64%	Yes	Yes
North Dakota	12	18	Yes	79%	64%	Yes	Yes
Ohio	14	18	Yes	0%	63%	No	No
Oklahoma	23	27	Yes	57%	62%	No	No
Oregon	14	19	Yes	69%	62%	Yes	Yes
Pennsylvania	16	20	Yes	66%	62%	Yes	Yes
Puerto Rico	18	21	Yes	7%	62%	No	No
Rhode Island	9	18	Yes	64%	62%	Yes	Yes
South Carolina	12	17	Yes	74%	61%	Yes	Yes
South Dakota	13	17	Yes	75%	63%	Yes	Yes

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	State Duration (Weeks) of Benefits Performance	State Duration (Weeks) of Benefits Target	Meets Duration Target	RESEA Percent Reemployed	RESEA State Modeled Target	Meets Reemployment Target	
Tennessee	14	18	Yes	65%	61%	Yes	Yes
Texas	16	22	Yes	67%	58%	Yes	Yes
Utah	12	19	Yes	84%	62%	Yes	Yes
Vermont	13	18	Yes	70%	63%	Yes	Yes
Virgin Islands	23	58	Yes	21%	60%	No	No
Virginia	6	15	Yes	62%	62%	Yes	Yes
Washington	14	22	Yes	0%	59%	No	No
West Virginia	14	18	Yes	55%	60%	No	No
Wisconsin	21	18	No	73%	59%	Yes	No
Wyoming	13	18	Yes	0%	64%	No	No

This midyear analysis is based on partial data and **does not** represent final outcome payment eligibility. Analysis is provided for informational purposes only.