

1 **Fiscal Year 2023 Reemployment Services and Eligibility Assessment**
2 **Performance Incentive Distribution**
3 **Discussion Paper**
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6 **Background**

7 In fiscal year 2021 (FY'21), the US Department of Labor (DOL) established a performance
8 outcome payment for the Reemployment Services and Eligibility Assessment (RESEA) program.
9 The payment is based on whether the state meets the following two sequential eligibility
10 requirements:

- 11 • First, the state must achieve an Unemployment Insurance (UI) claim duration for all
12 RESEA claimants less than the DOL target set for Texas.
- 13 • Second, the state must achieve a reemployment rate greater than the DOL target set for
14 Texas and its RESEA claimants.

15 Although Texas did not meet the eligibility requirements for the FY'21 performance outcome
16 payment, Texas was determined eligible for a FY'22 and FY'23 RESEA performance outcome
17 payment in the amount of \$2,289,040 and \$2,768,640, respectively.

18 The Texas Workforce Commission (TWC) established a methodology to distribute a portion of
19 the FY'22 performance outcome payment to Local Workforce Development Boards (Boards)
20 based on whether their RESEA monthly completion rate exceeded the DOL minimum
21 completion threshold of 60 percent. This performance activity-based distribution method aligns
22 with TWC's objective to emphasize highly successful efforts at the local level that benefit core
23 customer populations.

24 **Issue**

25 This is the second year the State of Texas has qualified for a performance outcome payment, and
26 the funds must be expended by September 30, 2025. Staff reviewed the Board-level RESEA
27 activity for calendar year 2023 (CY'23) and established a distribution methodology for the
28 FY'23 performance outcome payment.

29 **Decision Point**

30 Staff seeks direction on distributing the FY'23 RESEA performance outcome payment to
31 Boards. The Board Contract Year 2024 (BCY'24) RESEA Statement of Work Project
32 Requirements §5.2 requires Boards to provide each RESEA participant with the services and
33 activities required by the RESEA Grant Program. Additionally, §6.1 Activities and Performance
34 Measures, requires Boards to meet or exceed the completion of all required services to 77
35 percent of their claimants. The distribution table establishes a funding allocation of \$7,500 per
36 month for each month Boards met or exceeded DOL's 60 percent threshold up to 76 percent. The
37 table also establishes a funding allocation of \$25,000 per month for each month Boards met or
38 exceeded TWC's 77 percent performance measure of providing all required services to their

1 respective RESEA claimant pools for CY'23. Distributing a portion of the outcome payment
2 directly to Boards fosters the partnership between TWC and the Boards, which incentivizes
3 Boards to meet the requirements of §§5.2 and 6.1 by expanding outreach that increases claimant
4 RESEA participation and employment outcomes. As a result of the CY'22 RESEA performance
5 incentives awarded by TWC's three-member Commission and additional measures taken by
6 staff, 24 of the 28 Boards experienced an increase in the number of months of performance
7 incentive eligibility for CY'23. In addition to the performance incentives, staff recommends
8 distributing funds for Boards to send staff and RESEA service providers to the second statewide
9 RESEA preconference training in December. The amount of the outcome payment to be
10 distributed to the Boards is \$2,700,000, leaving approximately \$68,000 for TWC administration.