

**Reemployment Services and Eligibility Assessment
Funding Methodology
Discussion Paper**

Background

The Reemployment Services and Eligibility Assessment (RESEA) program is a federal program designed to allow states to provide intensive reemployment assistance to individuals who are receiving unemployment insurance (UI) benefits and are determined to be likely to exhaust their benefits before becoming reemployed. The primary goals of RESEA are to quickly provide participants with access to a wide array of resources that support reemployment and to detect and reduce improper payments to ineligible individuals.

On August 22, 2017, the Texas Workforce Commission’s three-member Commission (Commission) approved the statewide implementation of RESEA, including a funding methodology that provided each local workforce development area (workforce area) with a RESEA distribution composed of:

- a base funding level of 1/28 of 10 percent of the funds available for distribution to workforce areas; and
- additional funds based on the workforce area’s relative proportion of UI claimants that are likely to exhaust UI benefits.

Amendments to the Social Security Act included in the 2018 Consolidated Budget Act authorized the RESEA program as a permanent formula-funded program and provided significant funding increases for states. That growth is expected to continue in the coming years.

Issue

Under the Federal Appropriations Act for Fiscal Year 2020 (FY’20), the total available funding for the RESEA program nationwide is \$175 million, up from \$150 million in 2019. The funding limit for Texas for FY’19 was \$9,348,178, and the funding limit for FY’20 is \$11,217,813. TWC’s FY’20 RESEA State Plan indicated that the state would hold back 10 percent of funds at the state level for statutorily required evaluation activities and another 15 percent for administration. The remaining funds will be allocated to the Boards based on a formula approved by the Commission.

The Texas Labor Code §302.062 requires that when funds are allocated to the state through the application of established formulas, the Commission must distribute amounts across the state using the same formula that was used to provide the funds to the state. The US Department of Labor allocates RESEA funds to states based on each state’s insured unemployment rate.

Decision Point

Staff seeks direction on providing each workforce area with a base funding level of 1/28 of 25 percent of the funds available for distribution to workforce areas. This would ensure that Boards have the minimal funds to support RESEA and would reflect the increase in program

1 funding and continued growth. The remaining 75 percent would be distributed based on the
2 workforce area's insured unemployment rate.