

RESEA FY 2024 Outcome Payment Incentive Distribution Discussion Paper

Background

Since the establishment of a Performance Outcome Payment program for the Reemployment Services and Eligibility Assessment (RESEA) program in Fiscal Year 2021, Texas has met the UI duration set by DOL for all four years of the program and exceeded the reemployment rate for the last three years, earning RESEA program Performance Outcome Payments for FY 2022, FY 2023, and FY 2024. For FY 2024, TWC has received a Performance Outcome Payment in the amount of \$2,880,907.

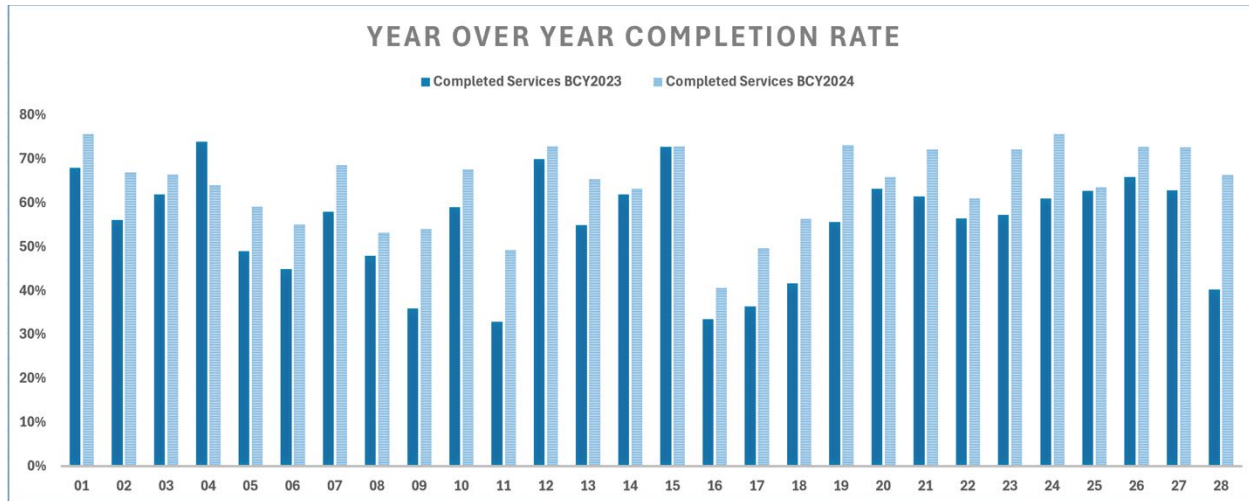
Each year, the Texas Workforce Commission (TWC) establishes a methodology to distribute a portion of the Performance Outcome Payment to the Local Workforce Development Boards (Boards) as performance incentives based on their RESEA monthly completion rate. Establishing a performance activity-based distribution method for the RESEA program aligns with TWC's objective to emphasize highly successful efforts at the local level that benefit core customers.

The RESEA completion rate is a DOL target used to determine how well states are implementing the RESEA program. In 2021, staff completed data validation for RESEA, improving the accuracy of performance reports. Statewide completion rates are on the rise, increasing from 52 percent in Board Contract Year (BCY) 2022 to 64 percent in BCY 2024. To ensure continued improvement in completion rates, staff:

- provide Boards with monthly completion rate data;
- provide Boards the list of customers that failed to report (FTR) by office and city of residence, and encourage Boards to travel offsite or use mobile units, as needed;
- provide regular, in-person technical assistance to service providers;
- provide performance incentives to Boards that meet performance targets;
- require Boards to outreach customers two business days prior to any RESEA appointment;
- monitor the RESEA program, beginning in January 2025; and
- request Boards to cross-reference their FTR list with job fairs and workshop registrants and to have staff available to provide RESEA services.

Additionally, staff work individually with lower-performing Boards, conducting observations, introducing best practices, and developing service delivery options to improve completion rates.

The chart below details yearly Initial RESEA appointment completion rates in all 28 Boards. The majority of Boards have seen improvements in performance from BCY 2023 to BCY 2024, which suggests that the distribution of Performance Outcome Payments is an effective incentive.



Issue

Staff has determined the Board-level RESEA activity for the calendar year 2024 (CY 2024) performance period and established a distribution methodology that creates two incentive eligibility tiers for the FY 2024 Performance Outcome Payment. Eligibility tier one establishes a funding allocation of \$2,500 per month for each month a Board achieved the 2024 DOL minimum performance threshold of 70 percent but did not meet the TWC 77 percent contract measure. Eligibility tier two provides a funding allocation of \$20,000 for each month a Board met or exceeded the TWC 77 percent contract measure of providing all required services to their respective RESEA claimant pools for CY 2024. Additionally, all Boards will be provided a \$5,000 training allotment to send staff to the annual RESEA training.

Incentive Distribution Table							
Board Name	met or exceeded 70% RESEA Completion	Performance Incentive Payment (\$2,500/mo)	CY2024 met or exceeded 77% RESEA Completion Rate	Performance Outcome Payment (\$20,000/mo)	Total months above DOL minimum	RESEA Training Incentive	Total Incentive Amount
Panhandle	3	\$ 7,500	7	\$140,000	10	\$5,000	\$152,500
South Plains	1	\$ 2,500	2	\$40,000	3	\$5,000	\$47,500
North Texas	4	\$ 10,000	2	\$40,000	6	\$5,000	\$55,000
North Central	0	\$ -	1	\$20,000	1	\$5,000	\$25,000
Tarrant County	0	\$ -	0	\$0	0	\$5,000	\$5,000
Dallas	0	\$ -	0	\$0	0	\$5,000	\$5,000
North East	5	\$ 12,500	1	\$20,000	6	\$5,000	\$37,500
East Texas	1	\$ 2,500	0	\$0	1	\$5,000	\$7,500
West Central	1	\$ 2,500	0	\$0	1	\$5,000	\$7,500
Upper Rio/Borderplex	5	\$ 12,500	2	\$40,000	7	\$5,000	\$57,500
Permian Basin	1	\$ 2,500	0	\$0	1	\$5,000	\$7,500
Concho Valley	2	\$ 5,000	4	\$80,000	6	\$5,000	\$90,000
Heart of Texas	1	\$ 2,500	2	\$40,000	3	\$5,000	\$47,500
Capital Area	0	\$ -	1	\$20,000	1	\$5,000	\$25,000
Rural Capital	5	\$ 12,500	2	\$40,000	7	\$5,000	\$57,500
Brazos Valley	0	\$ -	0	\$0	0	\$5,000	\$5,000
Deep East	0	\$ -	0	\$0	0	\$5,000	\$5,000
Southeast	0	\$ -	0	\$0	0	\$5,000	\$5,000
Golden Crescent	4	\$ 10,000	5	\$100,000	9	\$5,000	\$115,000
Alamo	1	\$ 2,500	1	\$20,000	2	\$5,000	\$27,500
South Texas	4	\$ 10,000	6	\$120,000	10	\$5,000	\$135,000
Coastal Bend	2	\$ 5,000	1	\$20,000	3	\$5,000	\$30,000
Lower Rio	5	\$ 12,500	5	\$100,000	10	\$5,000	\$117,500
Cameron County	3	\$ 7,500	7	\$140,000	10	\$5,000	\$152,500
Texoma	1	\$ 2,500	0	\$0	1	\$5,000	\$7,500
Central Texas	5	\$ 12,500	4	\$80,000	9	\$5,000	\$97,500
Middle Rio	1	\$ 2,500	10	\$200,000	11	\$5,000	\$207,500
Gulf Coast	2	\$ 5,000	2	\$40,000	4	\$5,000	\$50,000
Totals	57	\$ 142,500	65	\$1,300,000	122	\$140,000	\$1,582,500

Decision Point

Staff recommends amending the BCY 2025 contracts to allocate \$1,582,500 of the FY 2024 Performance Outcome Payment to Boards as outlined in the incentive distribution table above and requiring that funds be expended by February 28, 2026.