## Bipartisan Budget Act SEC. 30206. REEMPLOYMENT SERVICES AND ELIGIBILITY ASSESSMENTS.

The RESEA program helps unemployment insurance (UI) beneficiaries who are identified as likely to exhaust benefits return to work more quickly. States use funds to provide job search assistance, career services, referrals to training and to conduct eligibility reviews. This legislation would authorize RESEAs for ten years, build on the program's success, and leverage evidence-based policy to help more unemployed workers get jobs quickly. (Note: RESEA grants have been directed to states since they began in 2005 through discretionary appropriations.)

### (a) Amends Title III of the Social Security Act by adding at the end:

Sec. 306 GRANTS TO STATES FOR REEMPLOYMENT SERVICES AND ELIGIBILITY ASSESSMENTS

<u>Subsection (a) of 306</u>: Codifies the Department of Labor's (DOL) authority to operate the RESEA program in the Social Security Act.

Subsection (b) of 306: Outlines goals of the program:

- 1) Improving employment outcomes and reducing average duration of receipt of benefits for individuals receiving unemployment compensation;
- 2) To strengthen program integrity and reduce improper payments through detection and prevention of payments to individuals who are not eligible;
- 3) To promote alignment with the workforce development system under the Workforce Innovation and Opportunity Act (WIOA); and
- 4) To establish an entry point for individuals receiving unemployment compensation to other workforce programs.

Subsection (c) of 306: Requires states to establish and expand the use of evidence-based interventions that have a high or moderate causal rating (using DOL's existing evidence ranking system) in the operation of the RESEA program. States must use a percentage of the grant funds awarded for evidence-based interventions that improve employment outcomes for program participants, phased-in as follows:

- FY 2023 and 2024 at least 25% of funds
- FY 2025 and 2026 at least 40% of funds
- After FY 2026 at least 50% of funds

<u>Subsection (d) of 306</u>: Beginning in FY 2023, requires states to evaluate any interventions without a high or moderate causal rating and allows states to use up to 10% of their grant funding for this purpose.

Subsection (e) of 306: As a condition of receiving grant funds, requires states to submit a plan that describes the state's RESEA program and provides assurances that: 1) the program will provide proper notification to participating individuals; 2) reasonable scheduling accommodations; 3) a description of evidence-based interventions the state plans to use to speed reemployment; and 4) how the state will evaluate interventions without a high or moderate causal rating. Requires the state to report data on the characteristics and employment outcomes of program participants.

Provides the Secretary of Labor with authority to approve and disapprove state plans.

Subsection (f) of 306: Allocates funding into three categories:

- 1) <u>Base funding</u>: Funds made available to be awarded to states by formula.
  - For FY 2021 through 2026 89% of funds are reserved
  - After FY 2026 84% of funds are reserved
- 2) Outcome payments: Funds reserved to provide outcome payments to states that meet or exceed outcome goals in the prior year.
  - For FY 2021 through 2026 10% of funds are reserved
  - After FY 2026 15% of funds are reserved
- 3) Research and technical assistance: The Secretary of Labor may reserve no more than 1% of funds to conduct research and technical assistance.

Requires the Secretary of Labor to promulgate regulations for a base funding formula based on each state's share of unemployment beneficiaries and other factors no later than September 30, 2019.

<u>Subsection (g) of 306</u>: Requires the Secretary of Labor to provide notification to Congress no later than 90 days prior to making changes to the base funding allocation formula.

<u>Subsection (h) of 306</u>: Funds made available under this section shall supplement, not supplant state or local funds used to provide reemployment services and eligibility assessments to unemployment beneficiaries.

Subsection (i) of 306: Definitions

#### (b) REPORT

Not later than 3 years after enactment the Secretary of Labor shall provide a report to Congress describing promising interventions used by states to provide reemployment assistance

# (c) ADJUSTMENT TO DISCRETIONARY SPENDING LIMITS and (d) OTHER BUDGETARY ADJUSTMENTS

Provides "cap adjustment" authority to the Appropriations Committee, so that appropriating up to the authorized level would not count against that year's 302(a) allocation. Provides that "additional new budget authority" for the purpose of determining appropriations under section 306 of the Social Security Act, means the amount in excess of \$117 million that does not exceed adjustment amounts in table below. Authorizes appropriations over 10 years as follows:

## Additional RESEA Funding (in millions)

FY	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Total	117	150	175	200	250	375	550	650	725	750
Adjustment	0	33	58	83	133	258	433	533	608	633
Base	117	117	117	117	117	117	117	117	117	117