

DOL Report to the House and Senate Appropriations Committees Reemployment Services and Eligibility Assessments Program Cost Savings Projections and Related Activities

Report to Congress

The Department of Labor's (DOL or Department) Employment and Training Administration (ETA) submits the following report to Congress on the unemployment insurance (UI) Reemployment Services and Eligibility Assessments (RESEA) program. House Report 119-271, which accompanied the Consolidated Appropriations Act, 2026, Pub. L. 119-75, directs the Department to publish a report detailing its methodology for determining cost savings resulting from RESEA services.¹ House Report 119-271 outlines several concerns, including: (1) mixed findings among state-level evaluations; (2) the absence of a federal limit on states' RESEA administrative costs; and (3) limitations in states' ability to effectively target RESEA services to individuals in greatest need and the expansion of RESEA services beyond UI recipients that have been identified as likely to exhaust benefits. Specifically, House Report 119-271, at p. 17, states the following:

The Committee provides \$116,000,000 funding for the Reemployment Services and Eligibility Assessments (RESEA) program. The Committee supports the intent of the program to provide more intensive services to individuals most likely to use all their unemployment insurance benefits; however, the Committee concerned that the program has not achieved the cost savings projected by the Congressional Budget Office (CBO) and does not provide additional funding pursuant to the Balanced Budget and Emergency Deficit Control Act.

While CBO once estimated that such funding generates reductions in UI benefit exhaustion, the Committee notes that single State evaluations of the program prior to it being made permanent in 2018 produced mixed results with some States successfully assisting job seekers to work and others failing to do so. While a worthy policy objective, the absence of a limitation on State administrative expenses and inability to effectively target services to individuals in greatest need of assistance have undermined the ability to achieve the programmatic savings CBO misguidedly predicted. The Committee directs DOL, within 180 days of the enactment of this Act, to publicly release a report detailing the Department's methodology in determining that services provided regardless of an individual's likelihood to exhaust benefits generates an approximate savings of three dollars for every one spent.

This report responds to the House Committee on Appropriations' (Committee) formal request for documentation on the Department's RESEA projected cost savings methodology, addresses the Committee's related RESEA operations concerns, and provides additional information about the

¹ H. Report 119-217, September 11, 2025, <https://www.congress.gov/committee-report/119th-congress/house-report/271/1>.

Department’s current research and evaluation projects that will provide more detailed information about potential RESEA savings.

RESEA Background

To provide context on the importance of the RESEA program, during fiscal year (FY) 2025, RESEA supported UI program integrity by completing over 1.2 million assessments of UI eligibility and assisting over 900,000 UI recipients rejoin the workforce.² Given the strong evidence of the effectiveness of service strategies that combine UI integrity activities and reemployment services, the Department has consistently identified RESEA among its high-priority initiatives. Additionally, RESEA is explicitly identified as a component of the Administration’s *America’s Talent Strategy: Building the Workforce for the Golden Age*—a comprehensive plan to reindustrialize America, upskill workers, and improve and reform the public workforce development system.^{3,4} Since 2005, ETA and participating state agencies have leveraged the Reemployment Eligibility Assessment (REA) program and its successor, the RESEA program, to address individual reemployment needs of UI recipients and prevent and detect improper UI benefit payments.

Section 30206 of the Bipartisan Budget Act of 2018 (BBA), Pub. L. 115-123 (February 9, 2018), enacted Section 306 of the Social Security Act (SSA), permanently authorizing the RESEA program. Among other changes, the SSA amendments established a series of RESEA requirements that expanded the use of evidence-based interventions, made ETA approval of each state’s annual RESEA plan a precondition for funding, and phased implementation of new state funding requirements based on a combination of formula allocations and performance-based payments. Sections 30206(c) and (d) of the BBA provided a series of authorized “cap adjustments” allowing for incremental, annual expansion of RESEA during FYs 2018-2027 that would not count against federal discretionary funding caps.

In FY 2026, RESEA is active in all but one state, and total funding is \$467 million, which aligns with the Administration’s FY 2026 budget request and is \$258 million less than the maximum BBA authorization.

Determining RESEA Cost Savings: Methodology and Research

When conveying information about RESEA cost savings, ETA relies on a combination of sources and approaches. As part of the Department’s annual Congressional Budget Justification and related documentation, ETA uses a conservative actuarial approach that incorporates

² Analysis of FY 2025 Reemployment Services and Eligibility Assessments Workload Quarterly Reports (ETA 9128) and Workforce Integrated Performance System data.

³ America’s Talent Strategy: Building the Workforce for the Golden Age, August 2025, <https://www.dol.gov/sites/dolgov/files/OPA/newsreleases/2025/08/Americas-Talent-Strategy-Building-the-Workforce-for-the-Golden-Age.pdf>.

⁴ U.S. Department of Labor Clearinghouse for Labor Evaluation & Research (CLEAR), https://clear.dol.gov/sites/default/files/ResearchSynthesis_Reemployment_0.pdf.

potential risks, such as the law of diminishing returns. ETA supplements its actuarial approach with observed cost savings information collected by federal and state research and evaluations.

1. Budget Estimates

Estimated savings from RESEA prior to its permanent enactment in 2018 equated to roughly three dollars per dollar spent when adjusted for inflation. The assumption that drove these estimates relied on a roughly one and one-half week reduction in the average duration of claimants referred to RESEA. These duration and cost saving assumptions were based on a 2012 evaluation of the RESEA program in Nevada, which found that the state's program led to a 1.82-week UI benefit duration reduction for RESEA recipients.⁵

With the recent expansion of the RESEA program, resulting from annual increases in the authorized discretionary cap adjustments, ETA revised its estimation approach based on the law of diminishing returns. ETA effectively assumes that as the dollars expended on RESEA and the percentage of the claimant population receiving services increases, the rate of return on RESEA investments may decrease. This assumption recognizes that as the number of participants receiving RESEA services increases the potential benefits may be limited by other fixed factors, such as the number of available employers in a geographic area and capacity of local American Job Centers and workforce development system partners.

Based on the assumption of diminishing returns, ETA adjusted its methodology for estimating cost savings under the RESEA program. The new methodology is applied to all UI claimants and begins with an assumption that RESEA produced a return of \$2.45 per dollar spent beginning in FY 2022, which is the equivalent of a reduction of approximately 1.5 weeks in benefit duration.⁶

The authorizing language for the permanent RESEA program included explicit "cap adjustment" funding increases through FY 2027. ETA assumed that between FY 2020 and FY 2027, the average benefit reduction resulting from the RESEA program would decrease from 1.5 weeks to 0.86 weeks, which equates to approximately \$1.36 per dollar spent. For the years between FY 2020 and FY 2027, the savings rate was reduced proportionally. Beyond FY 2027, ETA assumes constant funding for RESEA in real dollars, and as a result, assumes a return on investment of approximately \$1.36 per dollar spent.

⁵ IMPAQ International. January 2012. Impact of Reemployment and Eligibility Assessment (REA) Initiative in Nevada,

https://www.dol.gov/sites/dolgov/files/ETA/publications/ETAOP_2012_08_REA_Nevada_Follow_up_Report.pdf

⁶ U.S. Department of Labor's Fiscal Year 2022 Congressional Budget Justification, Volume I, State Unemployment Insurance and Employment Service Operations, <https://www.dol.gov/general/budget/index-2022>

ETA Estimated RESEA Savings Rate and Benefit Reductions, FYs 2020–FY 2027		
Fiscal Year	Estimated Benefit Reduction (Weeks)	Estimated Return per \$1 Spent
2020	1.50	\$2.45
2021	1.39	\$2.32
2022	1.29	\$2.14
2023	1.18	\$1.95
2024	1.07	\$1.77
2025	0.96	\$1.59
2026	0.86	\$1.41
2027	0.86	\$1.36
Beyond 2027	0.86	\$1.36

2. Research and Evaluations

RESEA is an evidence-based program in both its design and operations. RESEA is based on the service model established in Nevada in which eligibility assessments were delivered seamlessly with reemployment services.⁷ A random assignment study on that service delivery approach found it to be effective in the following ways:

1. Claimants were significantly less likely to exhaust their benefits;
2. Claimants had significantly shorter UI durations and lower total benefits paid (on average 1.82 fewer weeks and \$536 lower total benefits paid);
3. Claimants were more successful in returning to work sooner, earning higher wages in the measurement period, and retaining their jobs; and
4. Every \$1.00 cost produced \$2.60 of savings.

Previous research also identified that when both eligibility assessments and reemployment services are provided seamlessly, reemployment outcomes for claimants improve and the duration of benefits is shorter.⁸ A subsequent, very large randomized controlled trial (RCT) evaluation of the REA program was conducted in four states – Indiana, New York, Washington, and Wisconsin – and published in November 2019. This evaluation was designed to estimate the impact of the REA program on UI duration, employment, and earnings and included both an

⁷ Impaq International, LLC via US Department of Labor Task Order, *Impact of the Reemployment and Eligibility Assessment (REA) Initiative in Nevada*, January 2012, https://www.dol.gov/sites/dolgov/files/ETA/publications/ETAOP_2012_08_REA_Nevada_Follow_up_Report.pdf.

⁸ Ibid; Black, D., Smith, J., Berger, M., & Noel, B. (2003). *Is the threat of reemployment services more effective than the services themselves? Evidence from random assignments in the UI system*. American Economic Review, 93(4), 1313-1327, <https://beta.dol.gov/research-data/clear/studies/threat-reemployment-services-more-effective-services-themselves-evidence-random-assignments-ui>.

implementation study and large impact study. The findings of this evaluation were like those of the Nevada study and included reduced average duration and increases in participants' employment and earnings.⁹

Recognizing the need for updated program effectiveness and cost savings information specific to the current RESEA program, the Department launched random assignment for a very large, multi-state impact study of RESEA program interventions in early 2026. Among other research questions, this study will capture general information about the cost-effectiveness of RESEA and will provide detailed analysis of costs and benefits of RESEA-provided reemployment services, such as multiple RESEA meetings. This study is in progress, and an initial report is anticipated in 2028.

Other Factors & Identified Areas of Concern

The Committee identifies several factors and related areas of concern that contributed to its request for a report on RESEA cost savings. In response, the Department offers the following responses and clarifications:

1. Mixed Findings Among State-level Evaluations.

The RESEA program is based on tiered-evidence that requires states to use evidence-based strategies, where they exist, and to conduct evaluations and build evidence for other service delivery strategies they are using.¹⁰ RESEA places the primary responsibility of evidence-building on states by allowing up to 10 percent of their grant awards to be dedicated to evaluation activities and requiring any interventions not directly supported by “high” or “moderate” rated evidence to be under evaluation while the intervention is in use.¹¹ With the Department’s assistance and guidance, states have embraced their evidence-building responsibility and, as of June 2025, 44 state-administered RESEA evaluations were in process and seven others were planned. This includes 31 RCTs and four quasi-experimental impact studies.

The RESEA program encourages and enables states to be innovative by implementing tailored program designs that meet the needs of local labor markets and the populations being served. RESEA also allows states to conduct evaluations that respond to their specific research questions and priorities and recognizes variations in states’ UI programs, such as differences in maximum eligible weeks and benefit amounts. Given these factors, mixed results among state studies are to be expected.

⁹ Abt Associates via U.S. Department of Labor Task Order, *Evaluation of Impacts of the Reemployment and Eligibility Assessment (REA) Program: Final Report*, November 2019, <https://www.dol.gov/sites/dolgov/files/OASP/evaluation/pdf/REA%20Impact%20Study%20-%20Final%20Report.pdf>.

¹⁰ Sections 306(c) and (d), SSA (42 U.S.C. §§ 306(c) and (d)).

¹¹ U.S. Department of Labor Clearinghouse for Labor Evaluation & Research (CLEAR), <https://beta.dol.gov/research-data/clear/clear-glossary#accordion-0-5>

To maximize state evidence-building efforts and identify findings that can be applied nationally, ETA has adopted a three-prong approach:

1. ETA is coordinating several research studies that complement and support state evidence-building efforts. In particular, a large, multi-state RCT will allow participating states to pool their evaluation efforts to obtain larger samples sizes and greater statistical power for their RESEA-related findings. This RCT project is primarily focused on RESEA effectiveness but will also examine the costs of implementing a RESEA program and participant experience.
2. The Department is providing states with evaluation technical assistance in designing and conducting their RESEA studies.
3. The Department reviews, rates, and disseminates each state's RESEA-funded evaluation to assess both the impact of the interventions studied and quality of the evaluation design used. As the RESEA evidence base grows, the Department will increase its use of evaluation and strategies, such as metanalysis, that can combine and synthesize available data from multiple studies into actionable findings for all states. Additional information about RESEA's available evidence-based and evidence-building activities is available on the Department's Clearinghouse for Evaluation and Research (CLEAR) and on the Chief Evaluation Office's website.¹²

2. Absence of a Federal RESEA Administrative Cost Limit

During FYs 2017-2021, ETA capped states' RESEA administrative costs to 10-15 percent of their grant award. These caps, identified in annual RESEA operating guidance, were intended to ensure states continued the prioritization of RESEA participant services during the transition from REA to RESEA (2017-2018) and further transition to the permanent, formula-allocated RESEA program authorized by the BBA (2019-2021). Among other changes, the BBA introduced an annual requirement that each state must submit an annual RESEA state plan prior to receiving their formula-allocation. As part of this annual planning process, ETA requires states to provide detailed administrative cost information. In FY 2022, ETA removed the administrative costs cap from operating guidance but continues to closely monitor each state's administrative costs during the annual RESEA state plan process. Nationally, since FY 2022, states have maintained an average administrative cost rate of approximately 15 percent.

3. Ability to Effectively Target Services & Eligibility Expansion

Prior to 2018, both the REA and RESEA programs limited eligibility to UI claimants identified as likely to exhaust UI benefits. To meet this requirement, states integrated their REA or RESEA program with their Worker Profiling and Reemployment Service (WPRS) program.¹³ Beginning in 2018, provisions in annual RESEA appropriations enactments expanded RESEA eligibility to all recipients of regular UI benefits, including those identified as likely to exhaust benefits. The Building on Reemployment Improvements to Deliver Good Employment for

¹² U.S. Department of Labor RESEA Evidence Building Portfolio Project: <https://www.dol.gov/resource-library/reemployment-services-and-eligibility-assessments-resea-evidence-building>.

¹³ As required by Section 303(j), SSA (42 U.S.C. § 503(j)).

Workers Act (BRIDGE Act), Pub. L. 118-120 (November 25, 2024), made the expanded eligibility a permanent component of the RESEA program.

Despite RESEA's expanded eligibility, all RESEA-participating states continue to integrate their WPRS and RESEA programs and prioritize RESEA services to claimants identified as likely to exhaust benefits.¹⁴ Recognizing RESEA's continued use of WPRS to identify program participants and previous oversight recommendations regarding the quality of states' selection models,¹⁵ ETA pursued a wide range of technical assistance and monitoring activities to ensure the quality of the RESEA/WPRS integration. These activities include, providing technical assistance to states that request support during update or redesign of their selection models, annually reviewing state's selection models as part of the RESEA state plan process, deploying a supplemental selection model monitoring guide used during all routine RESEA grant monitoring, and disseminating research and other resources. Additionally, in early 2023, the Department launched a multi-state study of RESEA selection models to assess current practices to select UI claimants for RESEA. Among other research questions, this study will assess how well current models predict UI exhaustion. A RESEA selection model study report is expected in 2028.

As demonstrated by RESEA's inclusion in the Administration's *America's Talent Strategy*, RESEA remains among the Department's priority programs, and we are committed to improving program operations, supporting states' evidence building activities, and ensuring that RESEA outcomes benefit state UI programs and the unemployed workers it serves. The Department looks forward to providing updates as additional research and evaluation findings become available.

¹⁴ Abt Associates via U.S. Department of Labor Task Order, *RESEA Program Strategies: State and Local Implementation*, April 2022, https://www.dol.gov/sites/dolgov/files/OASP/evaluation/pdf/resea/RESEA_Implementation_Study_Report_State_and_Local_Program_Strategies_Final_508c.pdf

¹⁵ ETA Research Publication, *Worker Profiling and Reemployment Services Evaluation of State Worker Profiling Models: Final Report*, January 1, 2007, <https://www.dol.gov/agencies/eta/research/publications/worker-profiling-and-reemployment-services-evaluation-state>