

Representative Jerome Zeringue
Chairman



Representative Francis Thompson
Vice Chairman

Fiscal Year 2024 Executive Budget Review Louisiana Workforce Commission

House Committee on Appropriations
House Fiscal Division

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All data and figures were obtained from the governor's Fiscal Year 2023-2024 Executive Budget and Supporting Documents provided by the Office of Planning and Budget within the Division of Administration along with House Bill 1 of the 2022 Regular Session, unless otherwise noted.

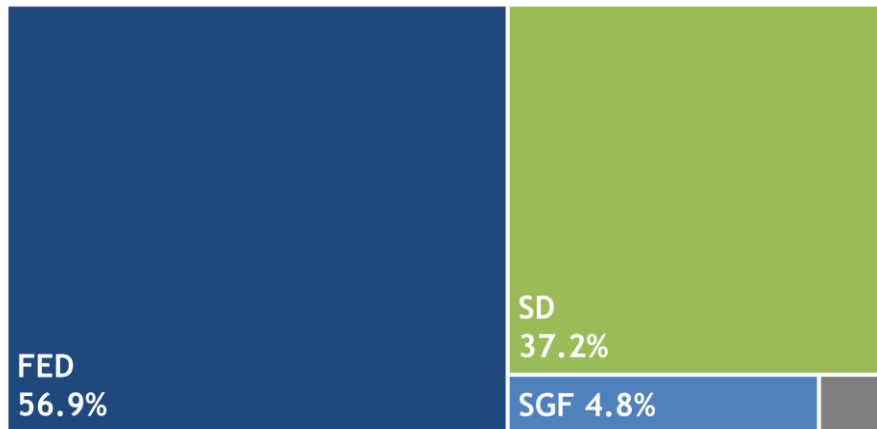
<https://www.doa.la.gov/doa/opb/budget-documents/>

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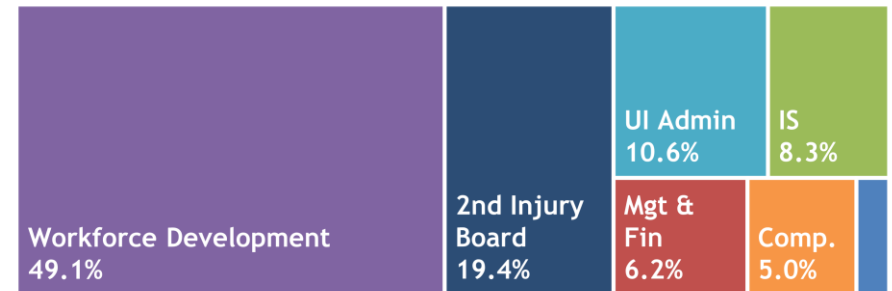
FY 24 BUDGET RECOMMENDATION

Total Funding = \$307,695,319

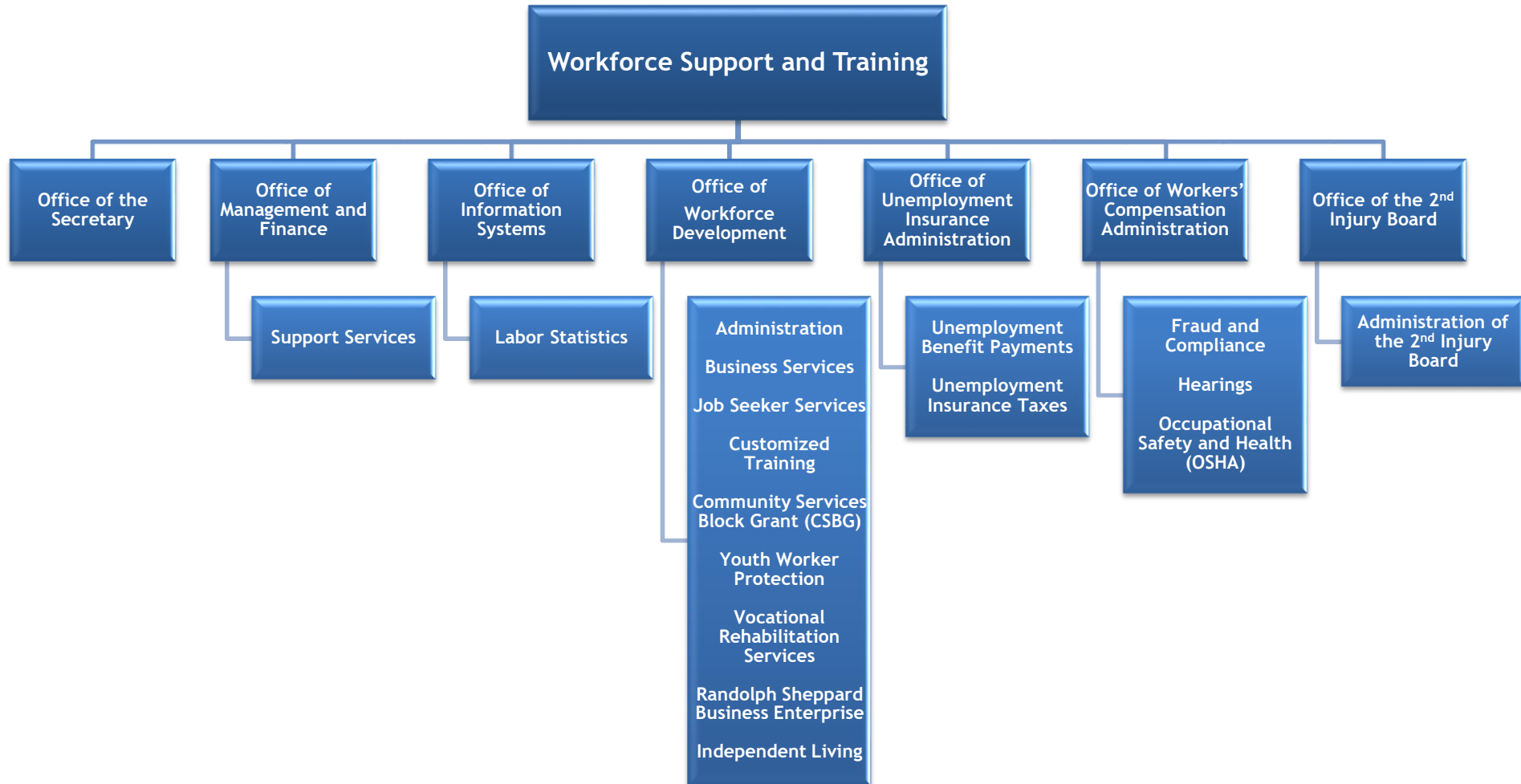
Means of Finance		
State General Fund	\$	14,810,048
Interagency Transfers		3,200,000
Fees & Self-generated		72,219
Statutory Dedications		114,568,895
Federal Funds		175,044,157
Total	\$	307,695,319



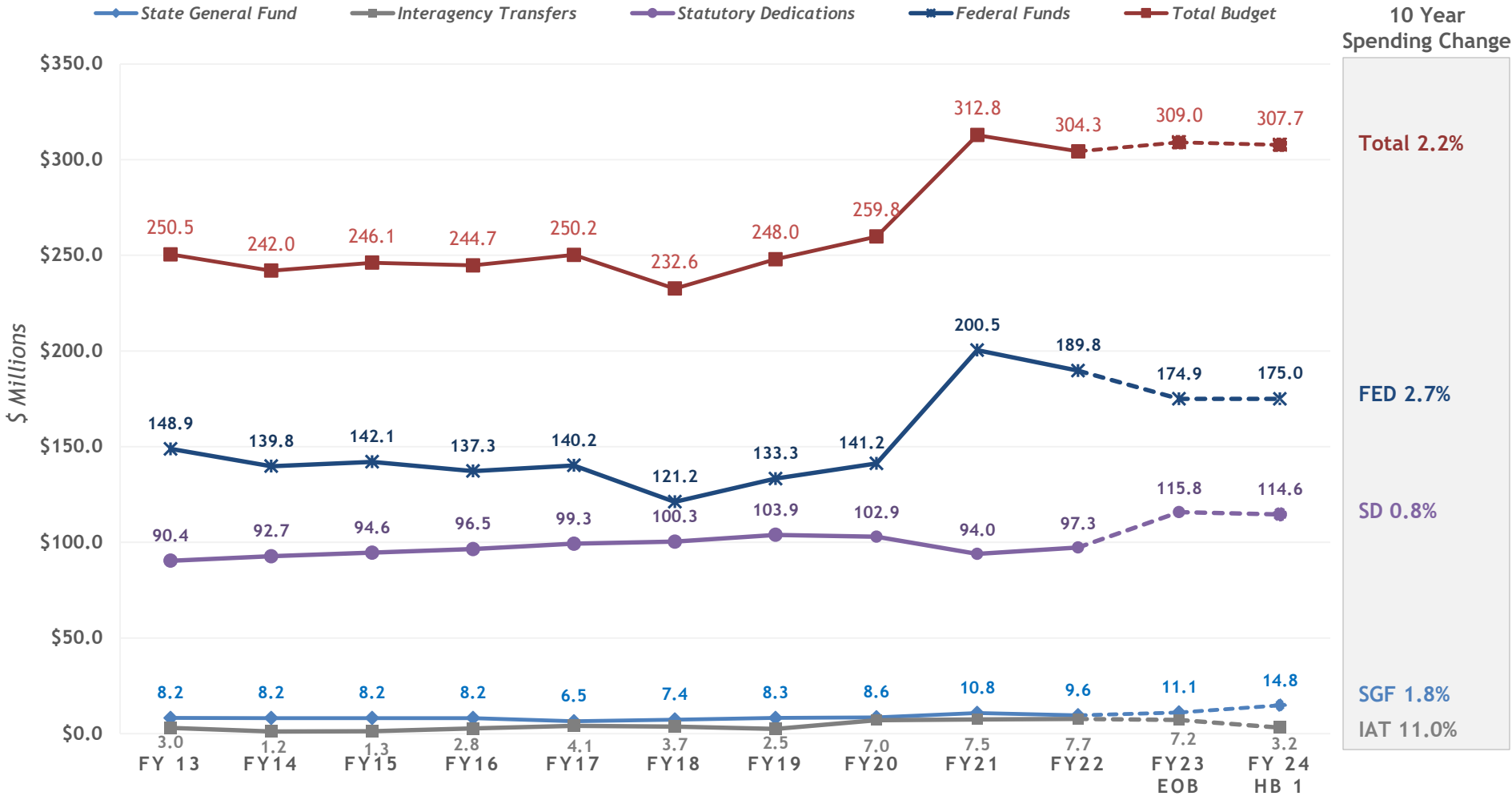
Program Funding & Authorized Positions		
	<i>Amount</i>	<i>Positions</i>
Secretary	\$ 4,689,676	25
Management and Finance	19,047,596	63
Information Services	25,469,243	23
Workforce Development	150,943,226	393
Unemployment Insurance	32,479,690	232
Workers' Compensation	15,509,948	125
2nd Injury Board	59,555,940	12
Total	\$ 307,695,319	873



DEPARTMENT ORGANIZATION

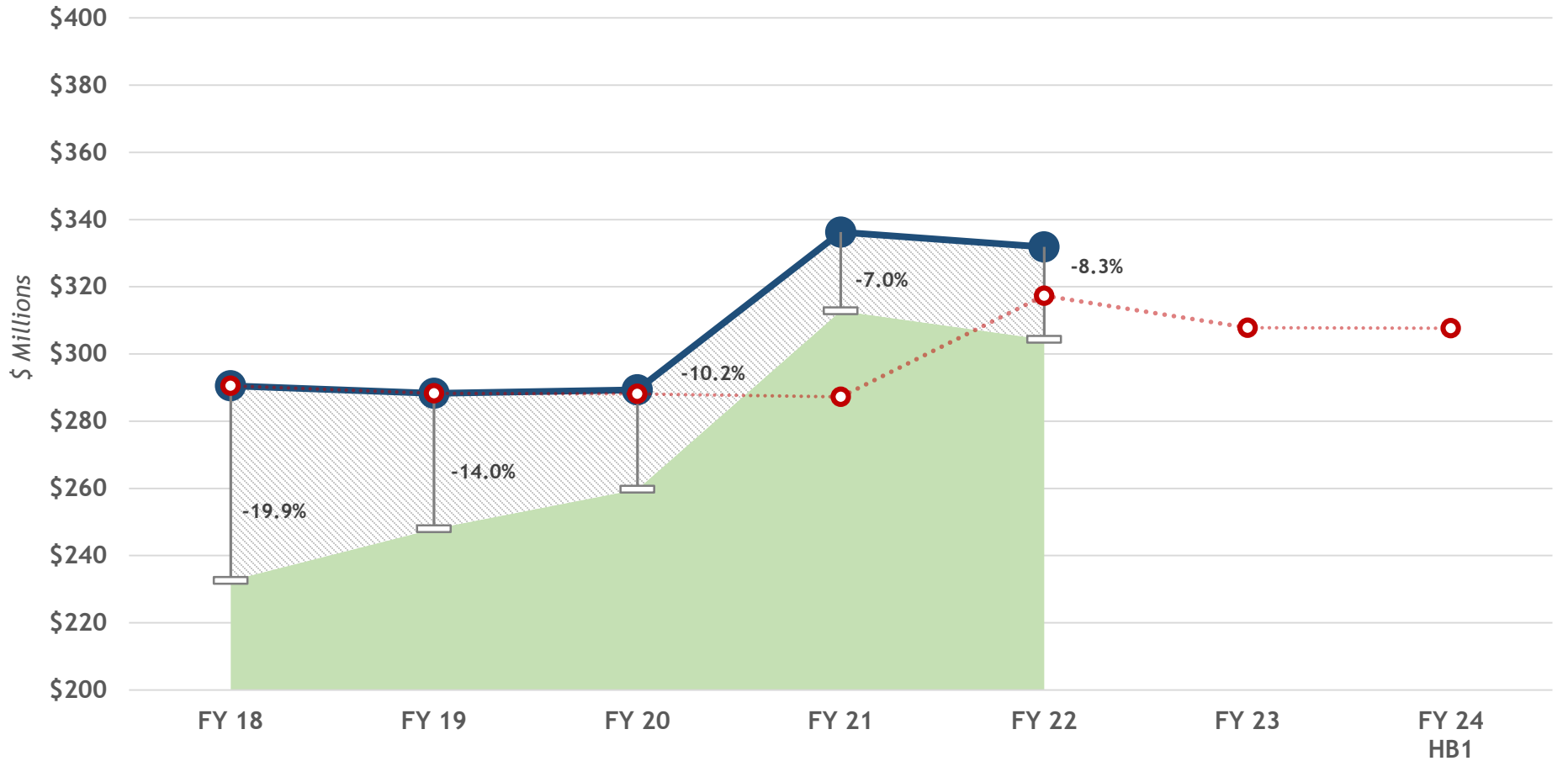


HISTORICAL SPENDING



HISTORICAL BUDGET

Actual Spending Final Budget Beginning Budget



PRIOR YEAR ACTUALS FY 22

Means of Finance	Final Budget <i>(w/o FY23 carryfwd)</i>	Amount Spent	Unspent Authority	Unspent Authority %	Unspent % by MOF
General Fund	\$ 9,595,933	\$ 9,595,931	\$ 2	0.0%	0.0%
Interagency Transfers	8,750,000	7,680,095	1,069,905	12.2%	3.9%
Self-generated	72,219	0	72,219	100.0%	0.3%
Statutory Dedications	114,894,393	97,264,487	17,629,906	15.3%	64.0%
Federal	198,543,800	189,769,731	8,774,069	4.4%	31.9%
FY22 Total	\$ 331,856,345	\$ 304,310,244	\$ 27,546,101	8.3%	100.0%

<i>Historical Total Unspent Budget Authority</i>	Final Budget	Amount Spent	Unspent Authority	Unspent %	
	FY21 Total	\$ 336,276,691	\$ 312,817,605	\$ 23,459,086	7.0%
	FY20 Total	289,326,601	259,763,477	29,563,124	10.2%
	FY19 Total	288,273,138	247,952,550	40,320,588	14.0%
	3 Year Avg.	\$ 304,625,477	\$ 273,511,211	\$ 31,114,266	10.2%

PRIOR YEAR ACTUALS FY 22

Were projected revenues collected?

	Final Budget <i>(w/o FY23 carryfwd)</i>	Revenue Collections	Difference
SGF	\$ 9,595,933	\$ 9,595,931	\$ (2)
IAT	8,750,000	7,680,095	(1,069,905)
FSGR	72,219	0	(72,219)
SD	114,894,393	104,830,909	(10,063,484)
FED	198,543,800	189,769,617	(8,774,183)
Total	\$ 331,856,345	\$ 311,876,552	\$ (19,979,793)

The department collected \$19.9 M less than the FY 22 budget. The majority of under collections were in federal and dedicated funds.

The majority of under collections were in the Office of Unemployment Insurance Administration.

Were collected revenues spent?

	Revenue Collections	Expenditures	Difference
SGF	\$ 9,595,931	\$ 9,595,931	\$ 0
IAT	7,680,095	7,680,095	0
FSGR	0	0	0
SD	104,830,909	97,264,487	(7,566,422)
FED	189,769,617	189,769,731	114
Total	\$ 311,876,552	\$ 304,310,244	\$ (7,566,308)

The department spent \$7.6 M less than was collected in FY 22. This is due to the under spending within dedicated funds.

The Incumbent Worker Training Account had the largest amount of unspent authority in the Office of Workforce Development.

EXISTING OPERATING BUDGET FY 23

The FY 2022-23 Existing Operating Budget (EOB) was frozen on December 1, 2022. This point-in-time reference is used in both the Executive Budget and the General Appropriations Bill.

Means of Finance	Appropriation	Mid-Year Adjustments	Existing Operating Budget
General Fund	\$ 10,595,933	\$ 500,000	\$ 11,095,933
Interagency Transfers	6,400,000	750,000	7,150,000
Self-generated Revenue	72,219	0	72,219
Statutory Dedications	115,781,466	0	115,781,466
Federal	174,939,507	0	174,939,507
Total	\$ 307,789,125	\$ 1,250,000	\$ 309,039,125

Budget Adjustments From Appropriation to EOB

July	August	September	October	November
No change	<p>\$1.3 M in carryforwards due to:</p> <ul style="list-style-type: none"> \$500,000 to conduct a family and medical leave actuarial study \$750,000 for Jobs for American Graduates Activity 	No change	No change	No change

SOURCES OF FUNDING

State General Fund

\$14.8 M

The chief operating fund of the State recognized by the Revenue Estimating Conference from various taxes, licenses, fees, and other revenue sources except for those identified as other means of financing

Interagency Transfers

\$3.2 M

From the Department of Children and Family Services in order to operate the Jobs for America's Graduates activity

Self-generated Revenue

\$72,219

From the Acadiana Works organization, via donation, for Vocational Rehabilitation Services

Federal Funds

\$175 M

\$126.9 M from the U.S. Department of Labor

- **\$57.1 M** from Employment Security Grants
- **\$60 M** from the Workforce Innovation and Opportunity Act
- **\$8.9 M** from the Wagner-Peyser Act
- **\$887,048** from the Occupational Safety Statistical Grant

\$33 M from the U.S. Department of Education

\$15.1 M from the U.S. Department of Health and Human Services

STATUTORY DEDICATIONS

Fund Name	Source	Usage	FY 23 - EOB	FY 24 - HB1
Workers' Compensation Second Injury Fund	(RS 23:1371) - Insurance fees	Cases of workers' compensation that result from a subsequent, secondary injury	\$60,787,174	\$60,880,071
Incumbent Worker Training Account	(RS 23:1514) - Unemployment charges on employers	Incumbent Worker Training Program for businesses that incur UI tax liability	\$25,896,106	\$25,865,414
Workers' Compensation Administration Fund	(RS 23:1310.11) - Fees from workers' compensation disputes	Administering Workers' Compensation	\$17,804,600	\$18,469,958
Penalty and Interest Account	(RS 23:1513) - Funds from fines and penalties incurred by businesses	To pay for the cost and fees of collecting monies owed by delinquent businesses and administer labor laws pertaining to apprenticeship, minors, medical, private employment, and individuals' rights	\$4,722,267	\$4,794,763
Employment Security Administration Account	(RS 23:1515) - Unemployment charges on employers	Personnel costs for UI and employment security functions such as auditing, overpayment recovery, appeals disposition, remittance processing, and related activities	\$4,000,000	\$4,000,000
Blind Vendors Trust Fund	(RS 23:3043) - Funds from vending stands, machines, cafeterias, and other small business concessions located on state, federal, and similar properties, pursuant to the federal Randolph-Sheppard Act	To establish and maintain related benefits for blind vendors, assists in purchasing and maintaining vendor equipment, securing fair returns, and other eligible Randolph Sheppard Act expenses	\$551,319	\$558,689
Total			\$115,781,466	\$114,568,895

FUNDING COMPARISON

Means of Finance	FY22 Actual Expenditures	FY23 Existing Operating Budget 12/1/22	FY24 HB1 Budget	Change Existing Operating Budget to HB1		Change Actual Expenditures to HB1	
SGF	\$ 9,595,931	\$ 11,095,933	\$ 14,810,048	\$ 3,714,115	33.5%	\$ 5,214,117	54.3%
IAT	7,680,095	7,150,000	3,200,000	(3,950,000)	(55.2%)	(4,480,095)	(58.3%)
FSGR	0	72,219	72,219	0	0.0%	72,219	100.0%
Stat Ded	97,264,487	115,781,466	114,568,895	(1,212,571)	(1.0%)	17,304,408	17.8%
Federal	189,769,731	174,939,507	175,044,157	104,650	0.1%	(14,725,574)	(7.8%)
Total	\$ 304,310,244	\$ 309,039,125	\$ 307,695,319	\$ (1,343,806)	(0.4%)	\$ 3,385,075	1.1%

Significant funding changes compared to the FY 22 Existing Operating Budget

State General Fund

\$3.7 M net increase due to items such as:

- \$3.2 M increase to replace the loss of TANF funds
- \$1 M increase to supplement increased JAG program costs
- (\$500,000) decrease to remove funds for a family and medical leave actuarial study

Statutory Dedications

(\$1.2 M) net decrease due to:

- (\$2 M) decrease in Overcollections Fund
- \$13,671 increase to the Workers Compensation Second Injury Fund from an increase in Dept. of Justice attorney costs
- \$665,358 increase in the Workers' Compensation Administration Fund

Interagency Transfers

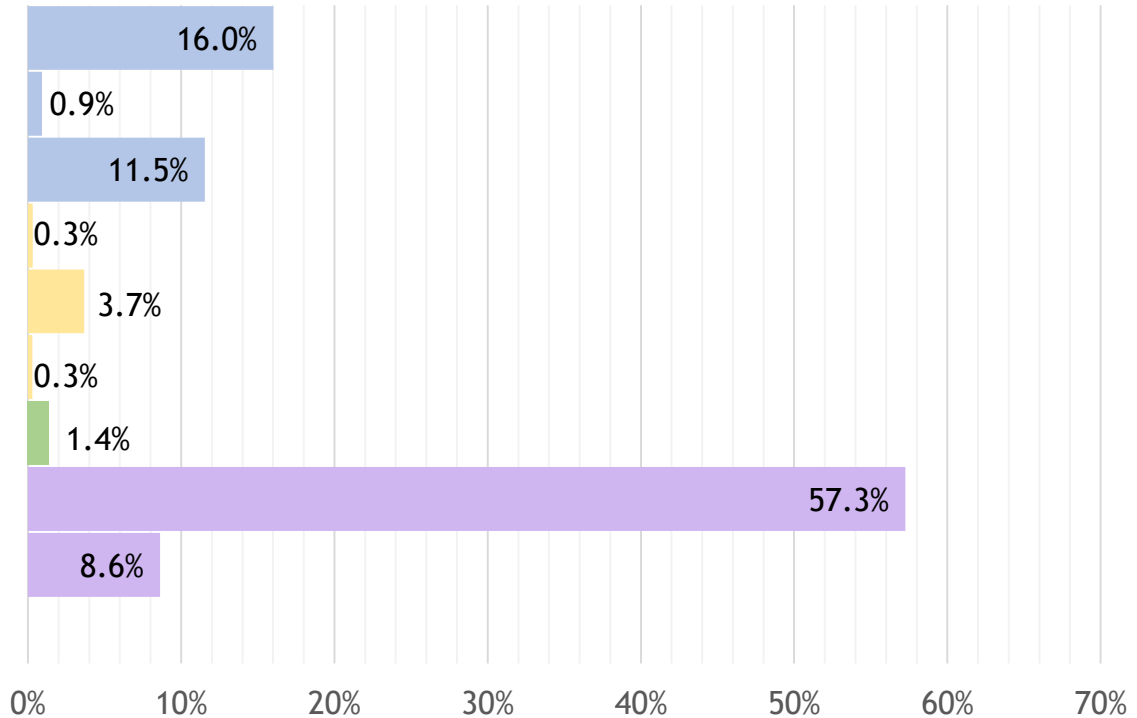
(\$3.95 M) net decrease due to:

- (\$750,000) decrease from the one time funding from the Governor's Emergency Education Relief Fund
- (\$3.2 M) decrease from Temporary Assistance for Needy Families (TANF) funding from Department of Children and Family Services

EXPENDITURE RECOMMENDATION FY 24

Total Budget = \$307,695,319

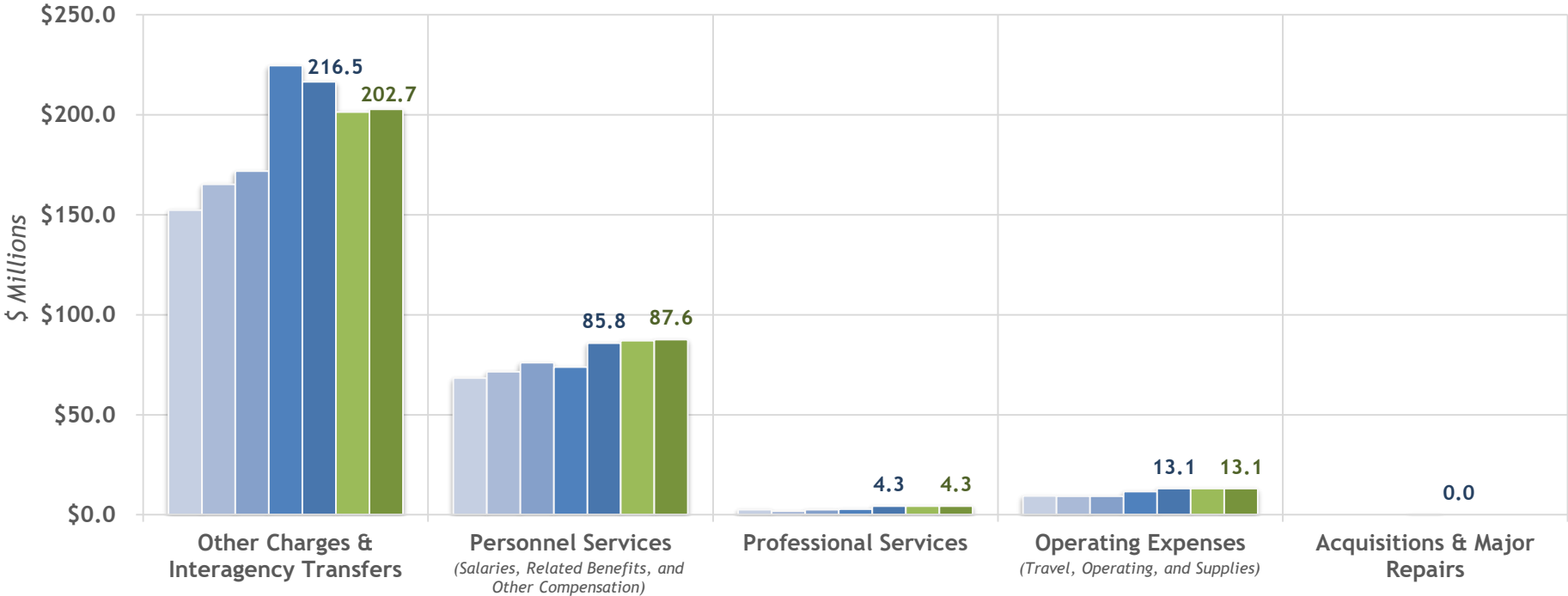
Expenditure Category	
Salaries	\$ 49,303,589
Other Compensation	2,791,339
Related Benefits	35,508,490
Travel	940,165
Operating Services	11,297,289
Supplies	881,734
Professional Services	4,265,410
Other Charges	176,169,091
Interagency Transfers	26,538,212
Acquisitions/Repairs	0
Total	\$ 307,695,319



EXPENDITURE HISTORY

Fiscal Year: Actual Expenditures Budgeted Amount

2018 2019 2020 2021 2022 2023 EOB 2024 HB1



5 Year Average Spending per Expenditure Category

\$186.1 M : 67.8%	\$75.1 M : 27.4%	\$2.8 M : 1.0%	\$10.6 M : 3.8%	\$0 : 0%
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EXPENDITURE COMPARISON

Expenditure Category	FY22 Actual Expenditures	FY23 Existing Operating Budget 12/1/22	FY24 HB1 Budget	Change Existing Operating Budget to HB1		Change Actual Expenditures to HB1	
Salaries	\$ 42,154,057	\$ 49,460,823	\$ 49,303,589	\$ (157,234)	(0.3%)	\$ 7,149,532	17.0%
Other Compensation	3,168,833	2,791,339	2,791,339	0	0.0%	(377,494)	(11.9%)
Related Benefits	29,990,277	34,766,722	35,508,490	741,768	2.1%	5,518,213	18.4%
Travel	421,796	940,165	940,165	0	0.0%	518,369	122.9%
Operating Services	9,197,584	11,297,289	11,297,289	0	0.0%	2,099,705	22.8%
Supplies	518,301	881,734	881,734	0	0.0%	363,433	70.1%
Professional Services	2,958,336	4,265,410	4,265,410	0	0.0%	1,307,074	44.2%
Other Charges	199,667,564	178,424,976	176,169,091	(2,255,885)	(1.3%)	(23,498,473)	(11.8%)
Interagency Transfers	16,233,497	26,210,667	26,538,212	327,545	1.2%	10,304,715	63.5%
Acquisitions/Repairs	0	0	0	0	0.0%	0	0.0%
Total	\$ 304,310,245	\$ 309,039,125	\$ 307,695,319	\$ (1,343,806)	(0.4%)	\$ 3,385,074	1.1%

Significant funding changes compared to the FY 23 Existing Operating Budget

Personnel Services

\$584,535 net increase due to:

- (\$2.6 M) decrease for the 27th pay period
- \$6.8 M for statewide salary, related benefits, and retirement adjustments
- (\$463,258) and (5) personnel reductions to factor in projected savings from vacant positions in FY 24

Other Charges

(\$2.3 M) net decrease due to:

- (\$2 M) decrease due to loss of one time supplemental funding in the Overcollections Fund for a pilot program to train unemployed workers
- \$1 M net increase in the Jobs for America's Graduates (JAG) Activity funding

OTHER CHARGES/INTERAGENCY TRANSFERS

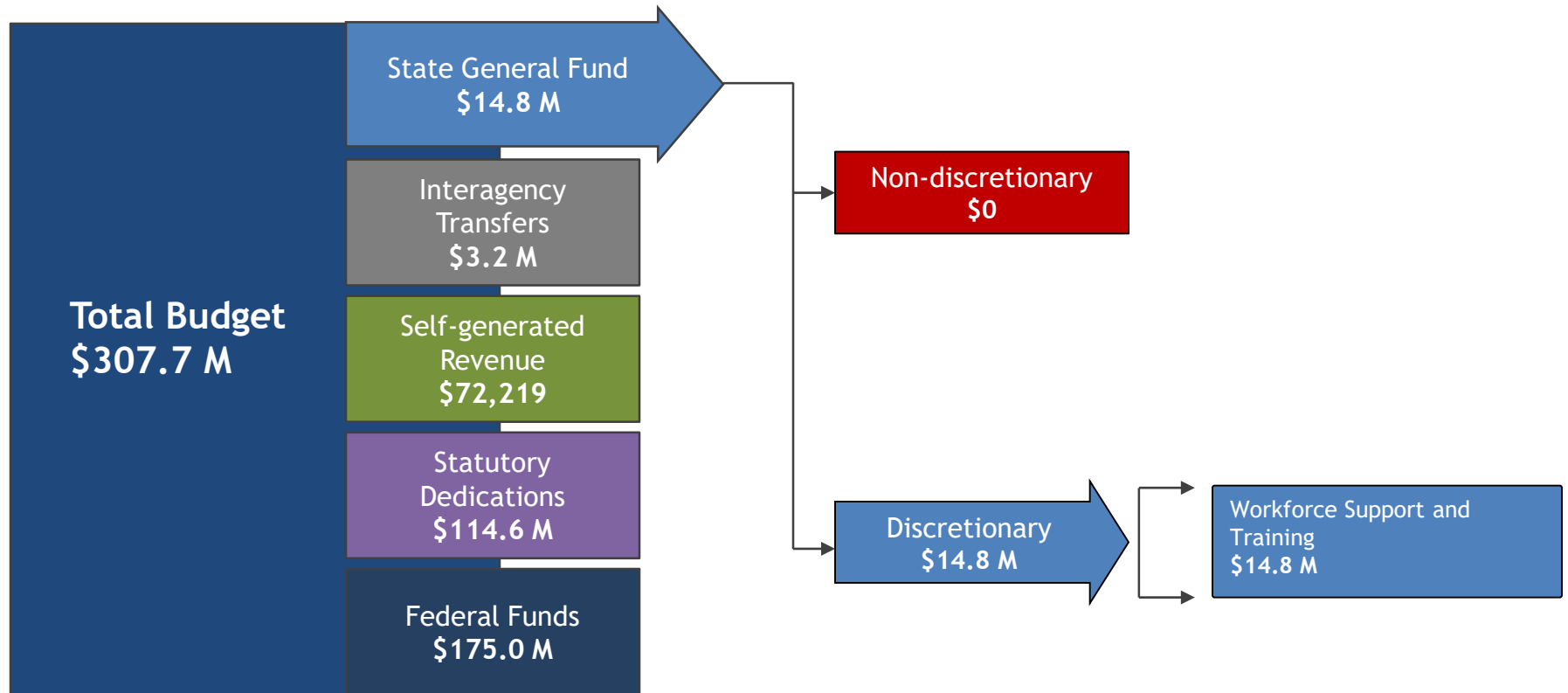
Other Charges

Amount	Description
\$ 58,279,109	2nd injury workers' compensation insurance reimbursements
44,332,972	Employment and training pass-through grants to local agencies
30,528,224	Louisiana Rehabilitative Services
25,765,106	Incumbent Worker Training Program grants
10,014,115	Jobs for America's Graduates
5,000,000	Unemployment insurance administrative expenses
1,459,249	Helping Individuals Reach Employment system improvements
306,877	Software and database expenses
279,424	Security and janitorial services
154,015	Outreach and recruitment
50,000	Workers' compensation administration and legal expenses
\$176,169,091	Total Other Charges

Interagency Transfers

Amount	Description
\$ 22,536,189	Office of Technology Services
1,126,609	Auditing, legal, procurement, and treasury fees
1,025,004	Rent and maintenance of State-owned Buildings
1,055,604	Office of Risk Management
378,189	Civil Service and Uniform Payroll System fees
280,624	Louisiana Military Department and Capitol Police
110,993	Governor's Office of Disability Affairs
25,000	Children's Cabinet
\$26,538,212	Total Interagency Transfers

DISCRETIONARY EXPENSES FY 24



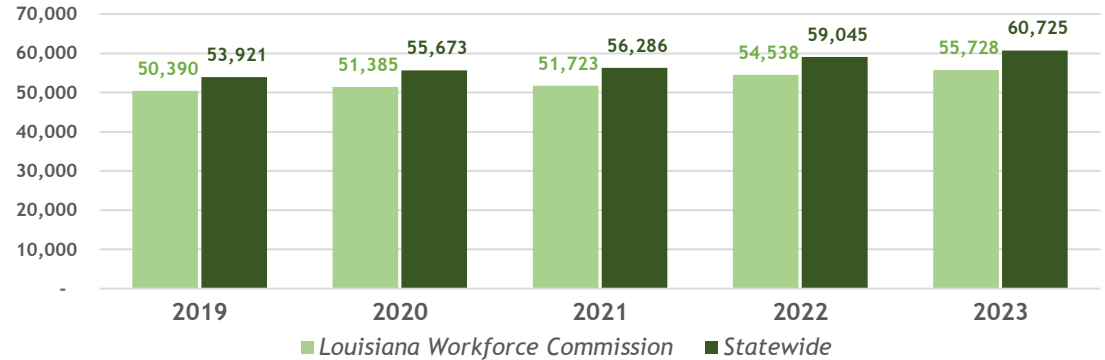
Figures may not add precisely due to rounding

PERSONNEL INFORMATION

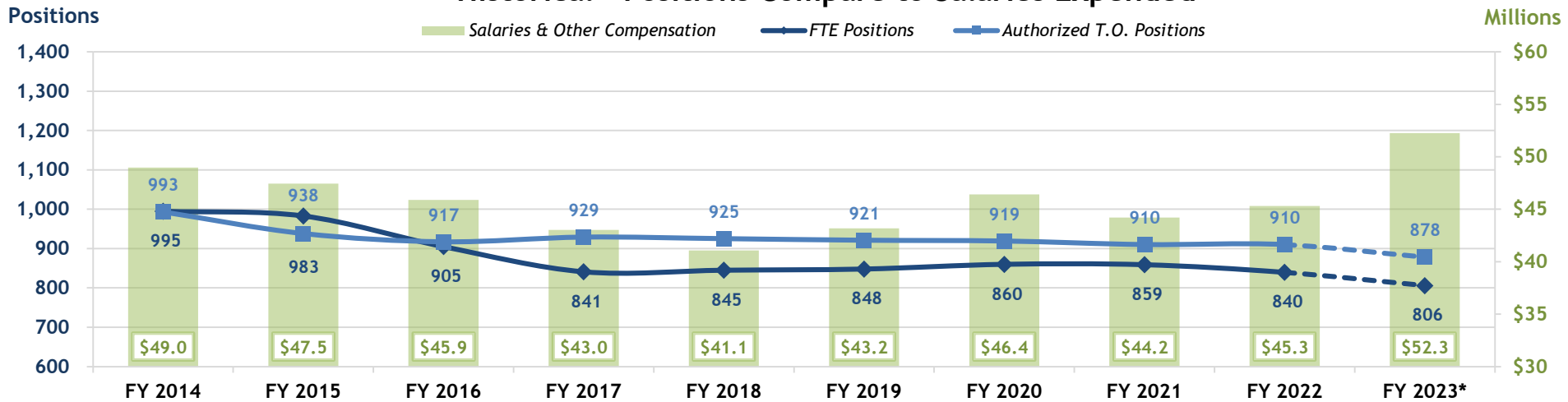
FY 2024 Recommended Positions

873	Total Authorized T.O. Positions (861 Classified, 12 Unclassified)
0	Authorized Other Charges Positions
141	Non-T.O. FTE Positions
114	Vacant Positions (January 30, 2023)

Historical Average Salary



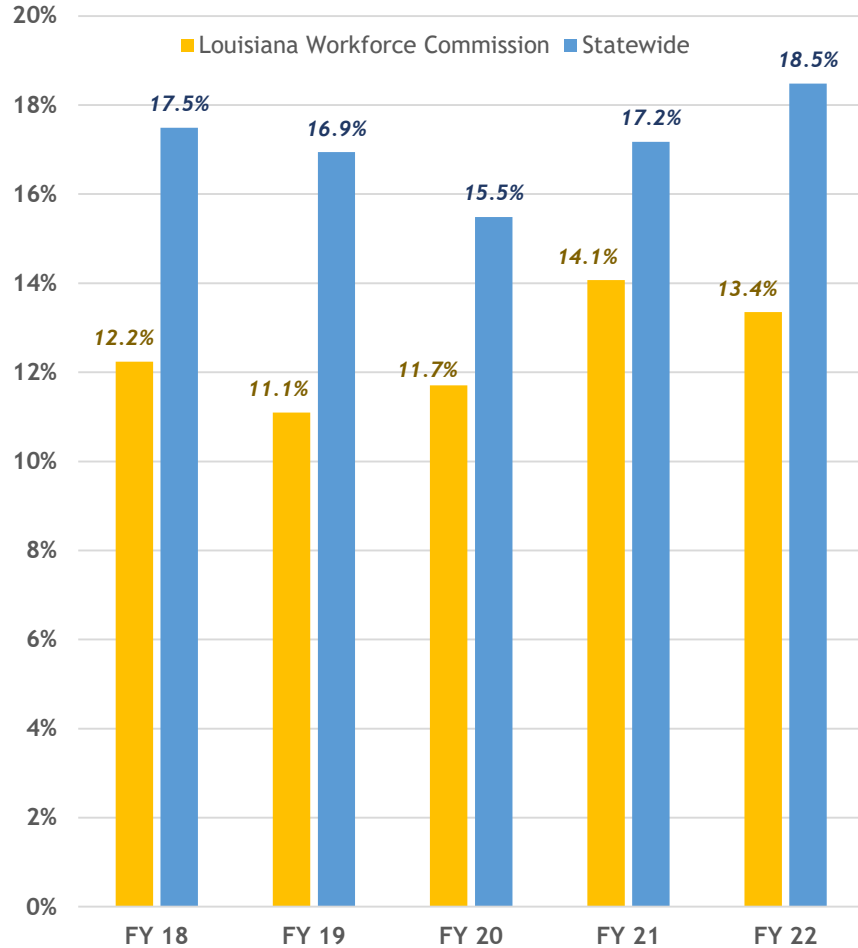
Historical¹ Positions Compare to Salaries Expended



¹ FTE Source: Dept. of Civil Service Weekly Report on State Employment

* Existing Operating Budget on 12/1/22

TURNOVER HISTORY



Top Positions Vacated FY 2022

Position	Number of Employees	Separations	Turnover Rate
Workforce Development Specialist 3	62	9	14.5%
Administrative Assistant 4	22	9	40.9%
Entry Rehabilitation Counselor	16	8	50.0%
Office of Regulatory Services Specialist 1	9	6	66.7%
Administrative Coordinator 4	22	5	22.7%

LOUISIANA REHABILITATION SERVICES

Funding Source	FY 24 HB1
State General Fund	\$7,995,933
<i>Federal Match (\$3.69 per every \$1)</i>	29,543,659
Statutory Dedication	1,086,319
<i>Federal Match (\$3.69 per every \$1)</i>	4,013,770
Self-Generated Revenue	72,219
<i>Federal Match (\$3.69 per every \$1)</i>	266,837
Total State Effort	9,154,471
Total Federal Match	33,824,266
Total Funding	\$42,978,737

The Louisiana Rehabilitation Services (LRS) Program provides services to those who are disabled in finding and maintaining employment, as well as living independently in their community.

In compliance with the Workforce Innovation and Opportunity Act (WIOA), 15% of Federal Funding received must be set aside for Pre-Employment Transition Services (Pre-ETS), which includes services such as job exploration counseling and workplace readiness training. These services are to be offered to students with disabilities between the ages of 16 to 21.

Funding for this program is dependent on the individualized assessment of needs. Generally, the average cost per participant is \$2,400/person. In FY22, the program had just over 16,000 participants.

When insufficient funding is available for all eligible clients, Federal Law requires that an order of selection be implemented. Clients are then categorized between Category 1 to Category 4, with the first containing the most severely disabled who require the most assistance.

The department has roughly \$55 M in available federal allotments for this activity, but approximately \$22 M goes unused due to limited state match appropriated. To utilize its full federal allocation, the department would need approximately \$6 M more in state effort.

JOBS FOR AMERICA'S GRADUATES

The Jobs for America's Graduates (JAG) Program provides education and employment services to high school students who are at a high risk of dropping out.

This program is for students as early as 7th grade and through 12th grade. These individuals are sometimes faced with academic, social, behavioral, or economic challenges. When at-risk students are identified, they are given specialized resources to help them achieve success academically and professionally. In FY 22 there were just over 8,000 participants.

These resources include Individual Education Plans and matching a student with a mentor to provide academic and career coaching. In addition to high school graduation, the program seeks to increase college attendance and/or youth participation in the labor force. The average cost per participant is about \$1,000.

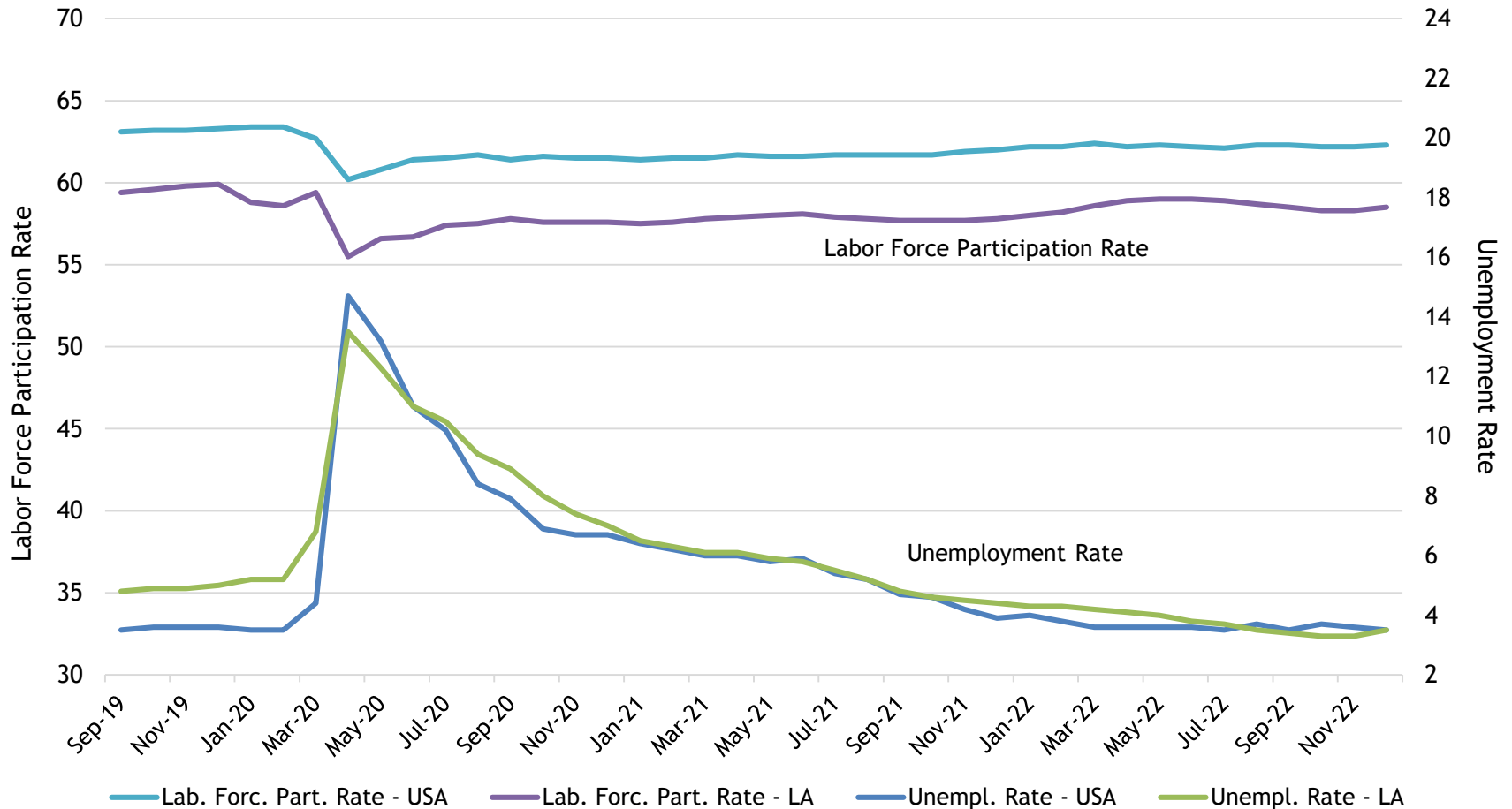
JAG transferred to the Workforce Commission from the Department of Education in 2019. It is currently paid for via the Workforce Commission's general fund budget with an additional interagency transfer from the Department of Children and Family Services (DCFS). The DCFS funds originate from the federal Temporary Assistance for Needy Families (TANF) program.

Eligible school districts and their sites receive a minimum of \$70,000 per site.

Funding Source	FY 23 Budget	FY 24 HB1	Difference
State General Fund	\$2,600,000	\$6,814,115	\$4,214,115
DCFS Funds from Federal TANF	\$6,400,000	\$3,200,000	(\$3,200,000)
Total Funding	\$9,750,000	\$10,014,115	\$1,014,115

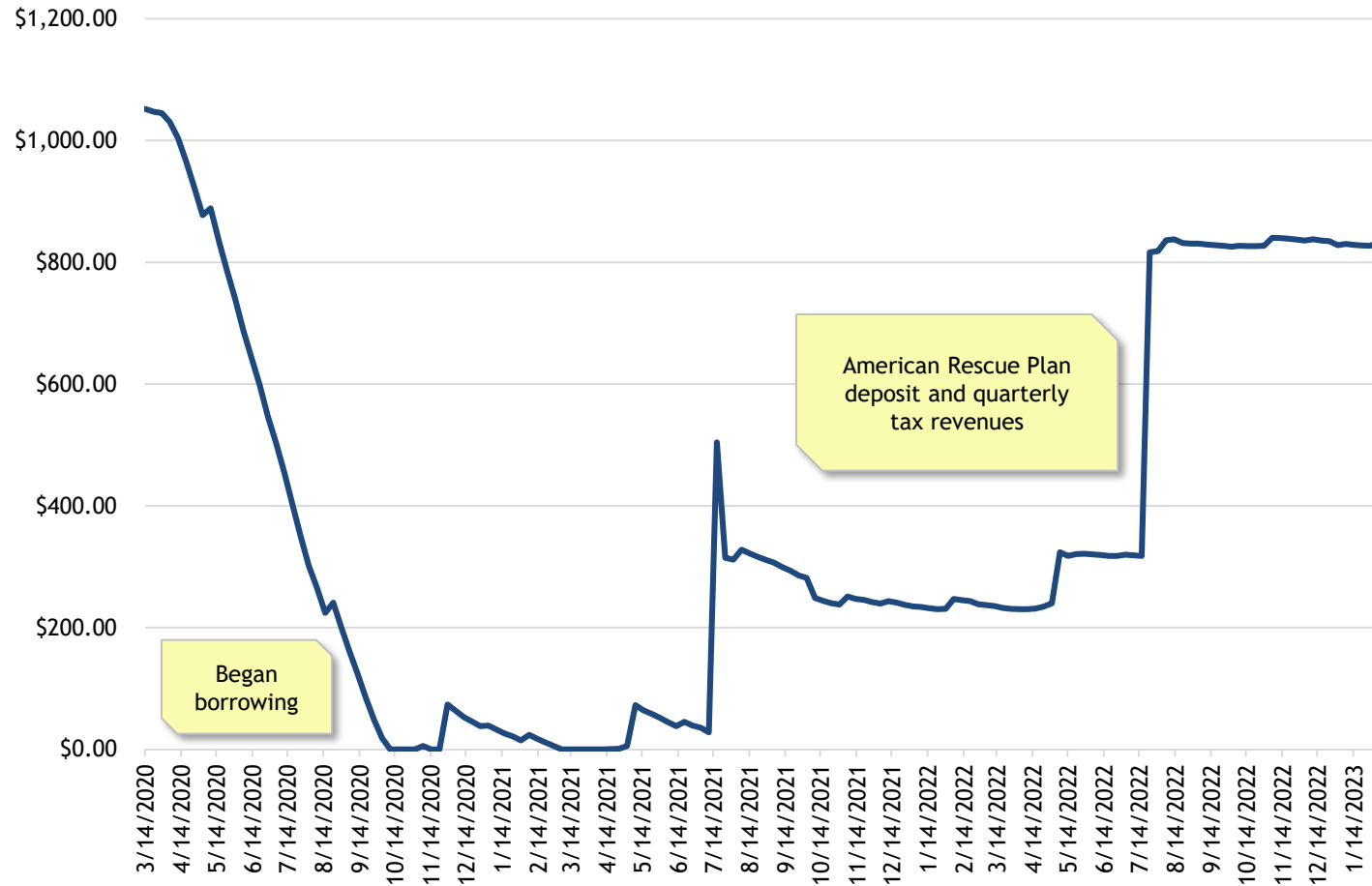
UNEMPLOYMENT AND LABOR FORCE

Unemployment Rate and Labor Force Participation Rate



Source: Bureau of Labor Statistics

STATE UNEMPLOYMENT TRUST FUND DURING COVID-19



As of February 11, 2023, the Trust Fund balance was \$839.7 M

Potential Methods to Increase Trust Fund Balance

- Use federal aid or direct/supplemental appropriations
- Bonding
- Suspend statute if federal government allows third time
- Allow businesses to pay higher taxes

- Compared to February 2022’s fund balance of \$245.2 M, the fund balance has increased by 242.5% in one year.
- In July 2022, \$500 M was deposited into the account from American Rescue Plan Federal Funds.

Source: Louisiana Workforce Commission

UI TRUST FUND TRIGGER IMPACT

Projected UI Trust Fund Balance	Tax Rate Implications Wage Base RS 23:1474	Rates R.S. 23:1536	Maximum Weekly Benefit Amount RS 23:1474	Predicted Tax Collections
Greater than \$1.4 B	\$7,000	2nd 10% discount	\$312	\$166,373,484
\$1.4 B to \$1.15 B	\$7,000	N/A	\$282	\$184,859,438
\$1.15 B to \$750 M	\$7,700	N/A	\$275	\$201,297,000
\$750 M to \$400 M	\$8,500	1st 10% discount	\$249	\$214,177,683
\$400 M to \$100 M	\$8,500	No 10% discount	\$249	\$216,341,094
\$100 M to \$0	\$8,500	Solvency Tax (E1) Formula allows for up to 30% increase over	\$249	\$281,243,422
Negative	\$8,500	Surtax (F1) Formula based on repayment of debt and interest	\$249	TBD

DEPARTMENT CONTACTS



Ava Cates
Secretary
ACates@lwc.la.gov



Bennett Soulier
Undersecretary
BSoulier@lwc.la.gov

DEPARTMENT OVERVIEW

Office of the Secretary

- Provides leadership and administrative services to ensure all unemployment insurance and worker's compensation processes are efficient and customer friendly
- Works to increase public awareness of the department's resources

Office of Management and Finance

- Performs activities as it relates to budgeting, accounting, and procurement

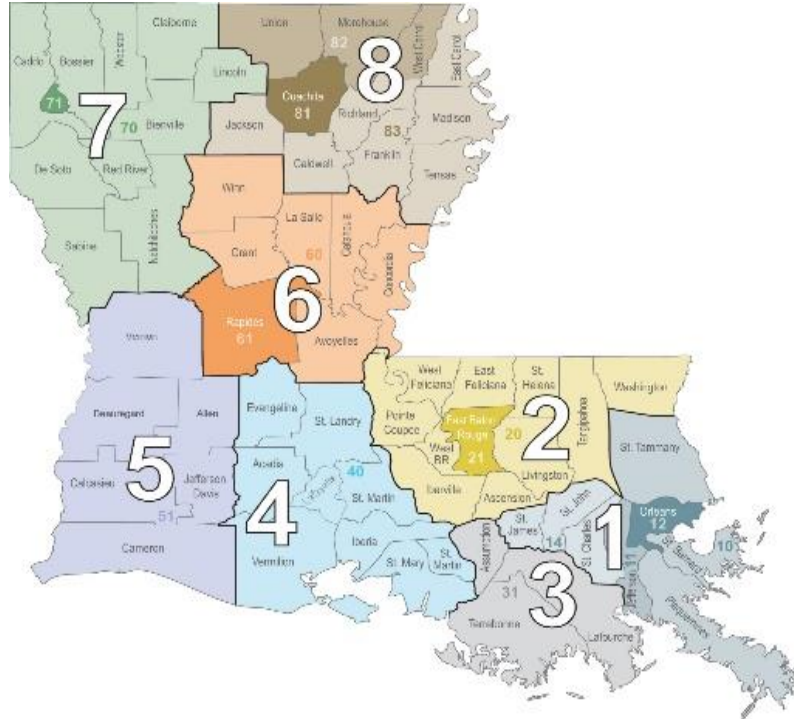
Office of Information Systems

- Collects and disseminates timely and accurate labor market and economic data
- Administers and provides assistance for the Occupation Information System



DEPARTMENT OVERVIEW

Workforce Investment Areas



Office of Workforce Development

Administration

- Receives Community Services Block Grants and re-allocates funds across the state to the 8 Workforce Investment Areas, as seen on the picture on the side

Business Services

- Provides tailored workforce solutions that focus on the unique needs of specific companies, industry sectors, and occupations

Job Seeker Services

- Provides job placement and training services to adults, dislocated workers, and youth

DEPARTMENT OVERVIEW

Office of Workforce Development

Customized Training

- Provides funds for Louisiana businesses to partner with Louisiana-based training providers to deliver customized training to employees through the Incumbent Worker Training Program (IWTP)

Community Services Block Grant (CSBG)

- Provides funding to 42 community action agencies in rural and urban communities throughout the state to assist low-income individuals and families

Youth Worker Protection

- Provides services and assistance to businesses and job seekers as well as oversight and compliance audits relative to statutory requirements related to Louisiana's minor labor laws, private employment service law and medical exam and drug testing law

Vocational Rehabilitation Services

- Provides professional/quality outcome-based vocational rehabilitation services on a statewide basis to individuals who have been determined eligible for the Vocational Rehabilitation Program

Randolph Sheppard Business Enterprise

- Provides professional/quality outcome-based vocational rehabilitation services on a statewide basis to individuals who have been determined eligible for the Vocational Rehabilitation Program

Independent Living

- Enables individuals who have significant disabilities to function more independently in home, work, and community environments, thereby reducing dependency on others for routine activities and community integration

DEPARTMENT OVERVIEW

Office of Unemployment Insurance

Unemployment Insurance Taxes

- Registers employers, assigns tax rates, and collects taxes from employers determined to be subject under Louisiana Employment Security
- Performs compliance audits to ensure employers are reporting properly

Unemployment Benefit Payments

- Registers employers, assigns tax rates, and collects taxes from employers determined to be subject under Louisiana Employment Security
- Performs compliance audits to ensure employers are reporting properly



DEPARTMENT OVERVIEW

Office of Workers' Compensation Administration

Fraud & Compliance

- Responsible for investigating fraudulent activity by any party affiliated with the Workers' Compensation System

Hearings

- Responsible for investigating fraudulent activity by any party affiliated with the Workers' Compensation System

Occupational Safety and Health Act (OSHA)

- Provides consultation, regulation, enforcement, and educational information to employers regarding the state and OSHA guidelines for safe work environments

Office of the 2nd Injury Board

Administration of the 2nd Injury Board

- Encourages the employment and retention of disabled workers by covering the costs for workers' compensation benefits for those employees.
- This protects an employer's group self-insurance funds or property and casualty insurers from excess liability for workers' compensation. Investigates claims under this program



INCUMBENT WORKER TRAINING PROGRAM

Category	2022*			Since Inception of Program (1999)
	Customized	Small Business	Totals	TOTAL
Applications Received	122	915	1,037	36,934
Applications Approved	121	804	925	27,285
Total Funding Approved	\$15,125,650	\$2,388,498	\$17,514,147	\$687,933,039
Total Funding Expended	\$12,578,109	\$1,533,867	\$14,111,976	\$507,044,165
Employers Represented	118	281	399	13,049
Participants Trained	39,605	2,642	42,247	999,682
Jobs Created	1,058	<i>n/a</i>	1,058	101,681
Jobs Retained	21,302	<i>n/a</i>	21,302	425,404
Average Wage Increase Upon Completion	16.59%	<i>n/a</i>	16.59%	13.83%

The Incumbent Worker Training Program works as a partnership between the Louisiana Workforce Commission, business and industry, and training providers.

The program is funded by a social charge assessed on employers that is paid along with Unemployment Insurance tax contributions.

The funds are dedicated solely for training to benefit incumbent workers of an industry or businesses operating in Louisiana for whom the businesses incur a state unemployment tax liability

