

Representative Jack McFarland
Chairman



Representative Jason Hughes
Vice Chairman

Fiscal Year 2025 Executive Budget Review

LOUISIANA WORKFORCE COMMISSION

House Committee on Appropriations
House Fiscal Division

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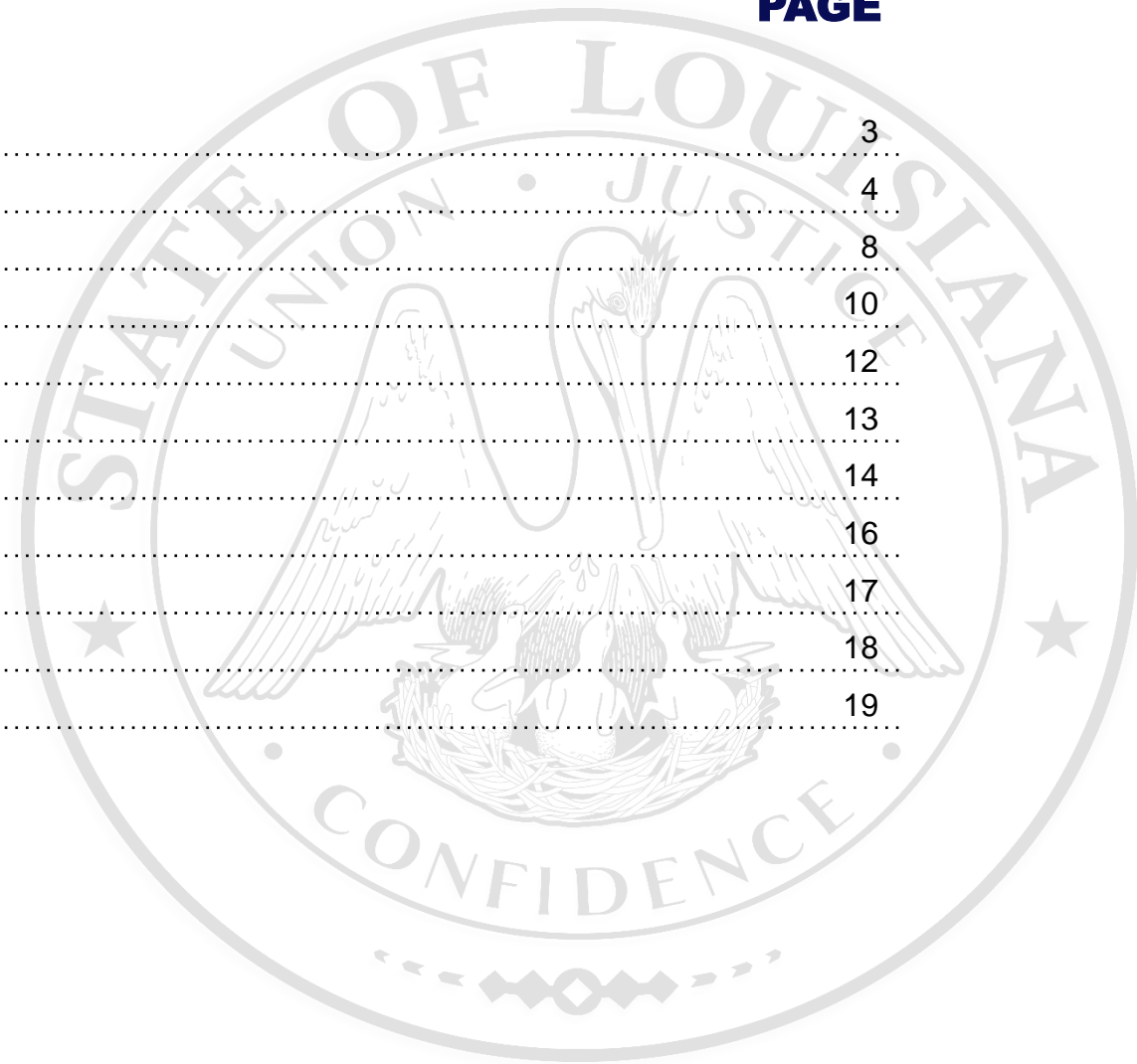
All data and figures were obtained from the governor's Fiscal Year 2024-2025 Executive Budget and Supporting Documents provided by the Office of Planning and Budget within the Division of Administration along with House Bill 1 of the 2024 Regular Session, unless otherwise noted.

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

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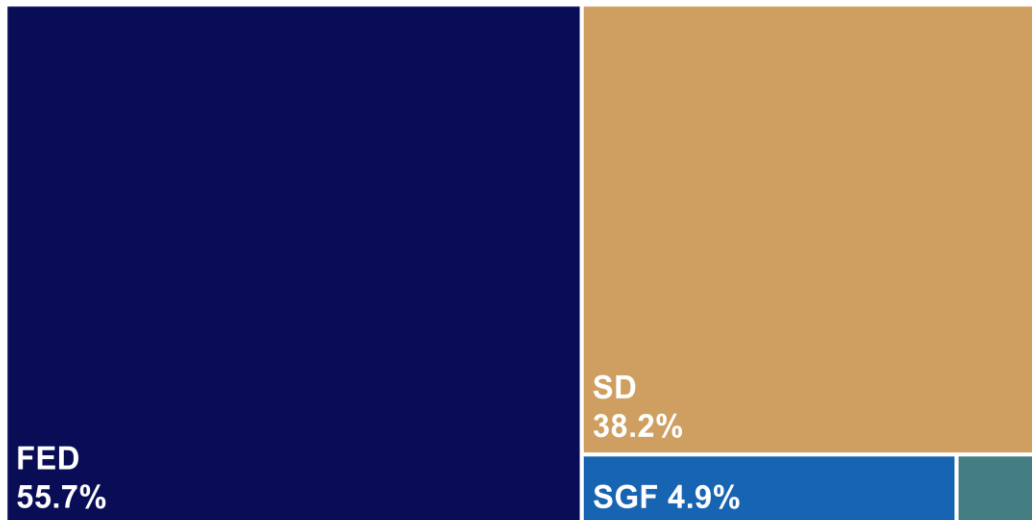
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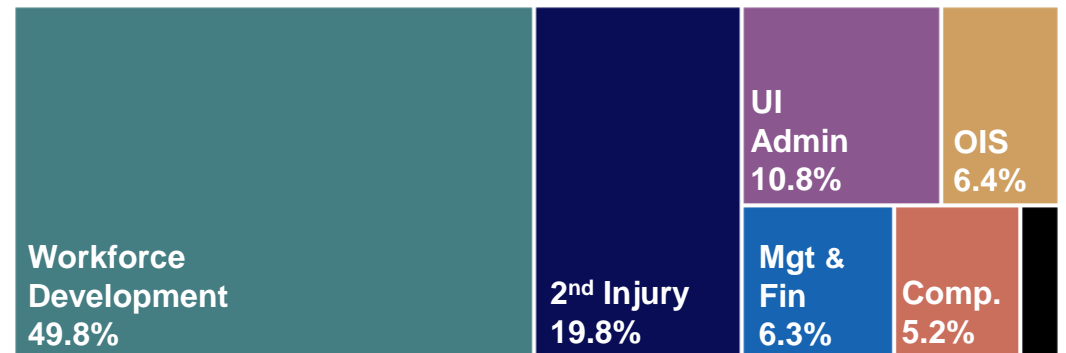
FY 25 BUDGET RECOMMENDATION

Total Funding = \$300,321,922

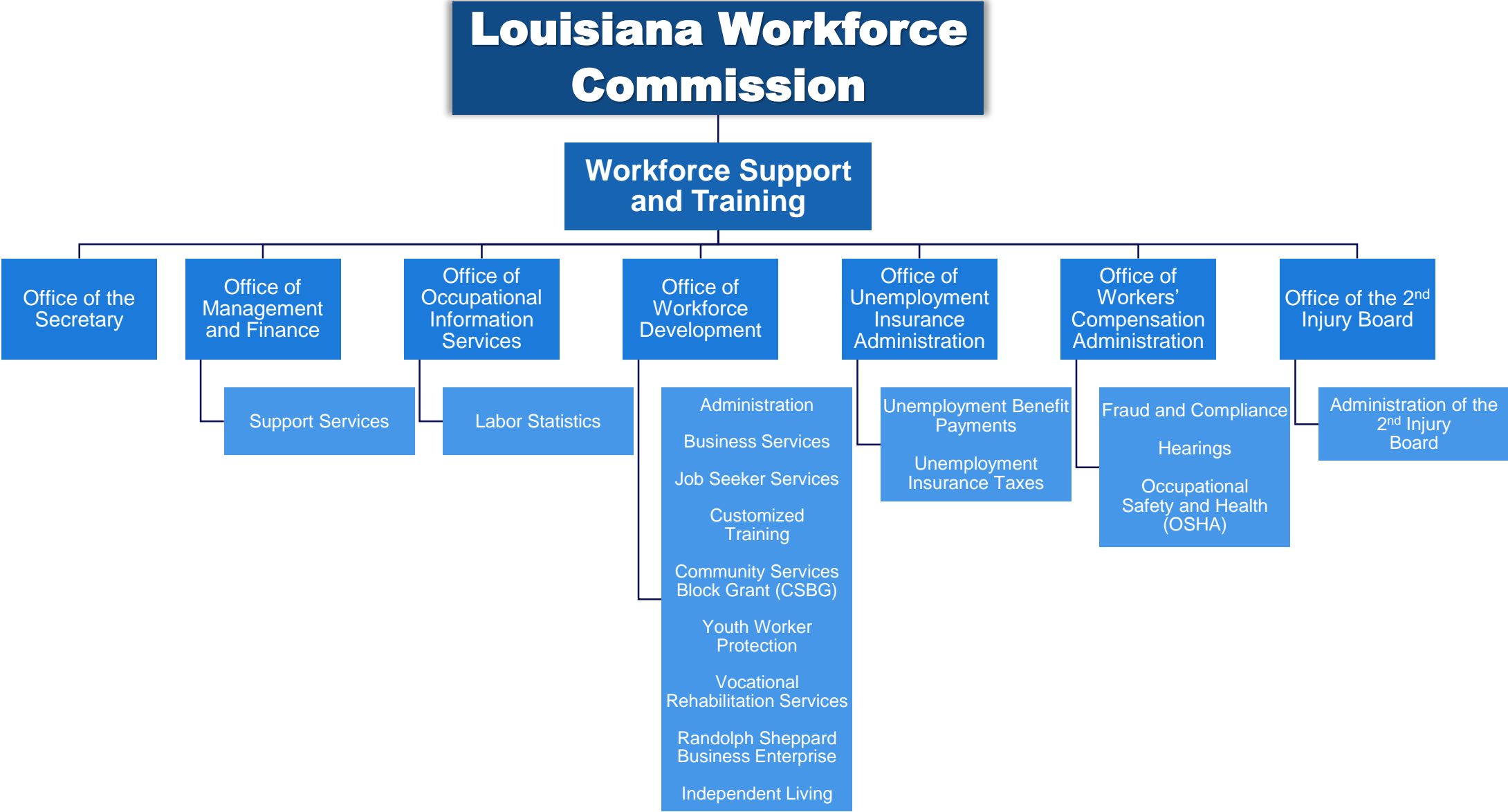
Means of Finance		
State General Fund	\$	14,810,048
Interagency Transfers		3,200,000
Fees & Self-generated		72,219
Statutory Dedications		114,811,325
Federal Funds		167,428,330
Total	\$	300,321,922



Program Funding & Authorized Positions			
		<i>Amount</i>	<i>Positions</i>
Office of the Secretary	\$	4,831,345	25
Management and Finance		18,997,548	63
Occupational Information Services		19,187,152	23
Workforce Development		149,482,577	393
Unemployment Insurance		32,505,998	232
Workers' Compensation		15,718,842	125
2nd Injury Board		59,598,460	12
Total	\$	300,321,922	873



DEPARTMENT ORGANIZATION



LOUISIANA WORKFORCE COMMISSION

Office of the Secretary, Office of Management and Finance, and Office of Occupational Information Systems

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 agency resources; lessen the training gap of skilled workforce; connect residents with existing employers; and engage business and industry in workforce development initiatives

Office of Management and Finance:

- Performs activities related to budgeting, accounting, and personnel

Office of Occupational Information Systems:

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



LOUISIANA WORKFORCE COMMISSION

Office of Workforce Development

Administration

- Provide for the administration of various state and federal funds to provide educational and workforce development opportunities

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

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

LOUISIANA WORKFORCE COMMISSION

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

Office of Workers Compensation

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

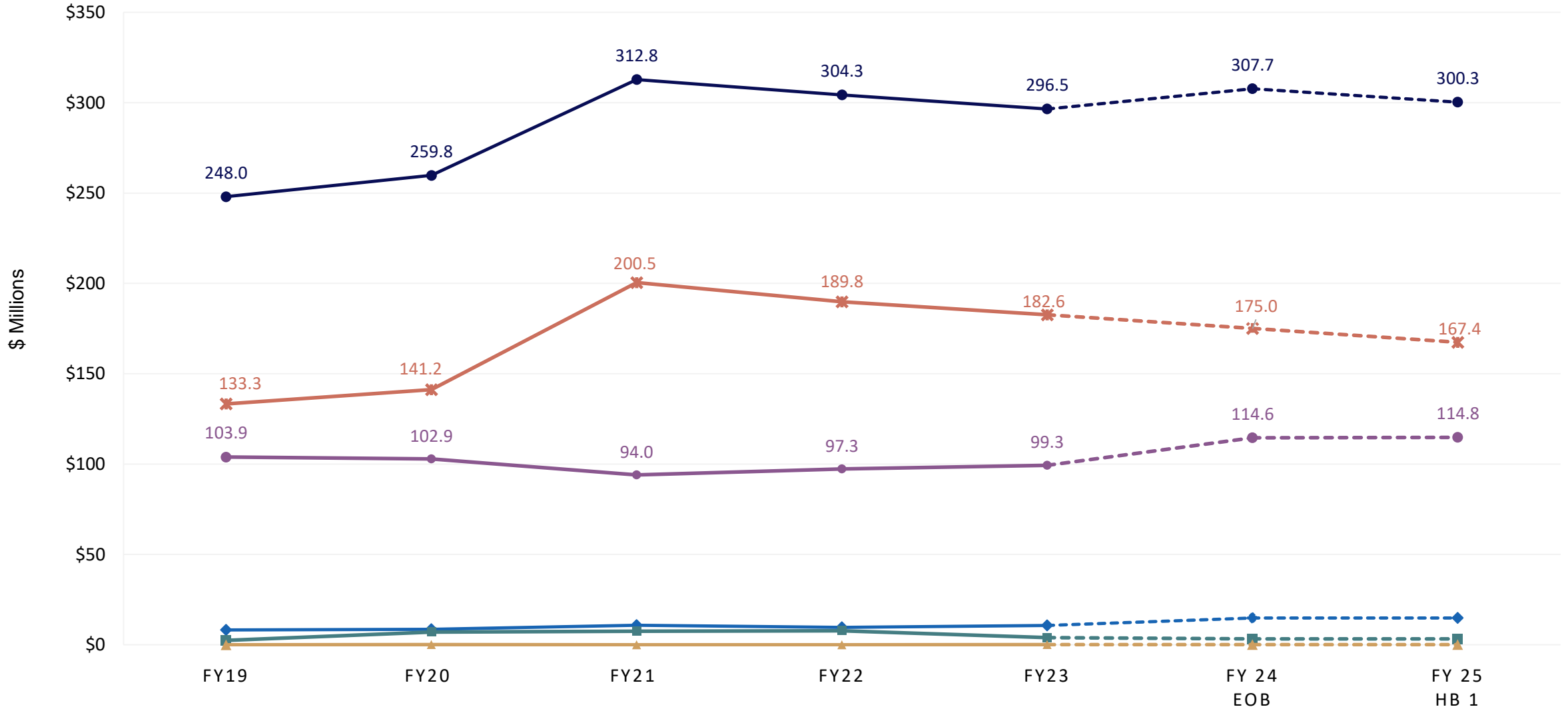
- Encourages the employment and retention of disabled workers by covering the costs for workers' compensation benefits for those employees.
- This protects an employer's group self-insurance funds or property and casualty insurers from excess liability for workers' compensation. Investigates claims under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

HISTORICAL SPENDING

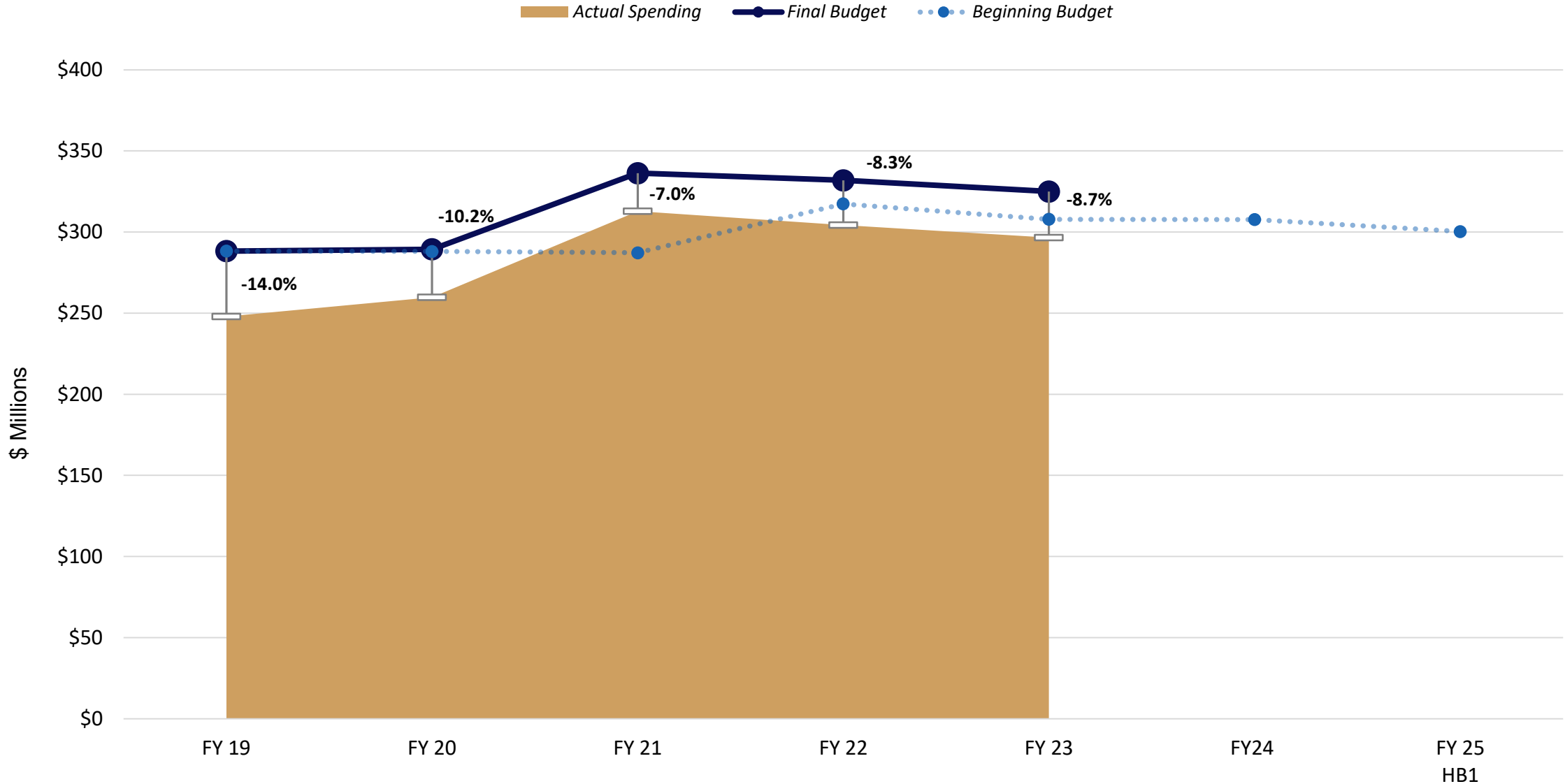
◆ State General Fund
■ Interagency Transfers
▲ Fees & Self-generated
● Statutory Dedications
✱ Federal Funds
● Total Budget

Annual Average Spending Change from FY 19 to 23:

6.5%	12.3%	63.3%	(1.1%)	8.2%	4.6%
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HISTORICAL BUDGET



Note: additional information can be found under the general department section

SOURCES OF FUNDING

State General Fund \$14.8 M	Interagency Transfers \$3.2 M	Self-generated Revenue \$72,219	Federal Funds \$167.4 M
<p>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</p>	<p>From the Department of Children and Family Services in order to operate the Jobs for America's Graduates activity</p>	<p>From various non-profit and for-profit organizations, via donation, for Vocation Rehabilitation Services</p>	<p>\$119.4 M from the U.S. Department of Labor</p> <ul style="list-style-type: none"> • \$50.6 M from Employment Security Grants • \$60 M from the Workforce Innovation and Opportunity Act • \$8.7 M from the Wagner-Peyser Act • \$887,048 from the Occupational Safety Statistical Grant <p>\$33 M from the U.S. Department of Education</p> <p>\$15.1 M from the U.S. Department of Health and Human Services</p>

STATUTORY DEDICATIONS

Fund Name	Source	Usage	FY 24 - EOB	FY 25 - HB1
Workers' Compensation Second Injury Fund	(RS 23:1371) – Insurance fees	Cases of workers' compensation that result from a subsequent, secondary injury	\$60,880,071	\$60,934,288
Incumbent Worker Training Account	(RS 23:1514) – Unemployment charges on employers	Incumbent Worker Training Program for businesses that incur UI tax liability	\$25,865,414	\$25,804,012
Workers' Compensation Administration Fund	(RS 23:1310.11) – Fees from workers' compensation disputes	Administering Workers' Compensation	\$18,469,958	\$18,611,101
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	\$4,794,763	\$4,911,681
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	\$558,689	\$550,243
Total			\$114,568,895	\$114,811,325

FUNDING COMPARISON

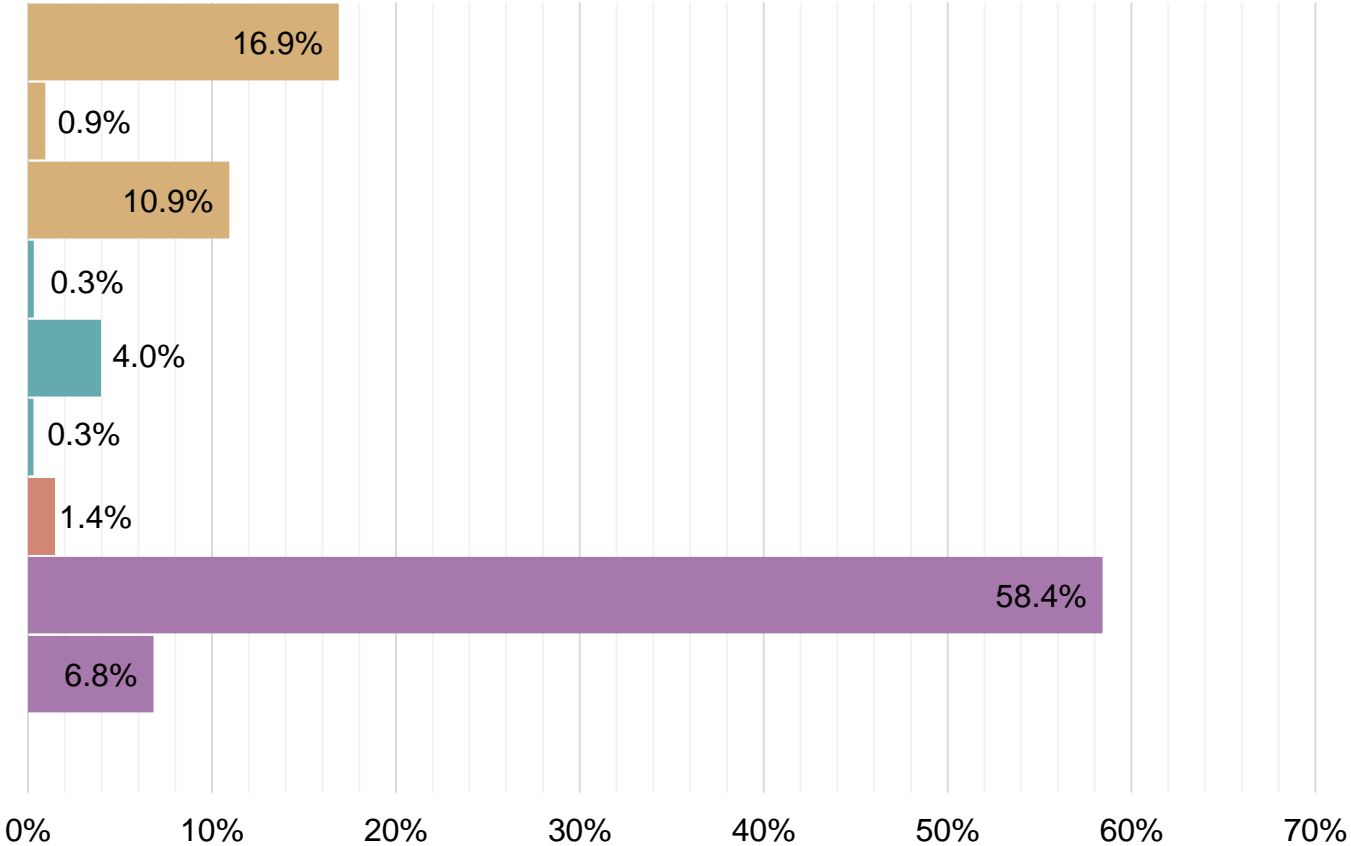
Means of Finance	FY 23		FY 24		FY 25		Change	
	Actual Expenditures	Existing Operating Budget 12/1/23	Existing Operating Budget 12/1/23	HB1 Budget	Existing Operating Budget to HB1	Change to HB1	Actual Expenditures to HB1	Change to HB1
SGF	\$ 10,633,949	\$ 14,810,048	\$ 14,810,048	\$ 14,810,048	\$ 0	0.0%	\$ 4,176,099	39.3%
IAT	3,945,761	3,200,000	3,200,000	3,200,000	0	0.0%	(745,761)	(18.9%)
FSGR	16,000	72,219	72,219	72,219	0	0.0%	56,219	351.4%
Stat Ded	99,302,371	114,568,895	114,811,325	114,811,325	242,430	0.2%	15,508,954	15.6%
Federal	182,644,828	175,044,157	167,428,330	167,428,330	(7,615,827)	(4.4%)	(15,216,498)	(8.3%)
Total	\$ 296,542,909	\$ 307,695,319	\$ 300,321,922	\$ 300,321,922	\$ (7,373,397)	(2.4%)	\$ 3,779,013	1.3%

Significant funding changes compared to the FY 24 Existing Operating Budget	
Statutory Dedications	Federal Funds
<p>\$242,430 net increase due to:</p> <ul style="list-style-type: none"> \$141,143 increase in the Workers' Compensation Administration Fund \$116,918 increase in the Penalty and Interest Account \$54,217 increase in the Workers' Compensation Second Injury Fund (\$61,402) decrease in the Incumbent Worker Training Account (\$8,446) decrease in the Blind Vendors Trust Fund 	<p>(\$7.6 M) decrease primarily due to:</p> <ul style="list-style-type: none"> (\$6.6 M) to remove one-time Average Weekly Insured Unemployment (AWUI) grant funding

EXPENDITURE RECOMMENDATION FY 25

Total Budget = \$300,321,922

Expenditure Category		
Salaries	\$	50,748,841
Other Compensation		2,783,539
Related Benefits		32,846,571
Travel		940,165
Operating Services		11,904,084
Supplies		881,734
Professional Services		4,265,410
Other Charges		175,482,324
Interagency Transfers		20,469,254
Acquisitions/Repairs		0
Total	\$	300,321,922



EXPENDITURE COMPARISON

Expenditure Category	FY 23 Actual Expenditures	FY 24 Existing Operating Budget 12/1/23	FY 25 HB1 Budget	Change Existing Operating Budget to HB1		Change Actual Expenditures to HB1	
Salaries	\$ 43,467,769	\$ 49,303,589	\$ 50,748,841	\$ 1,445,252	2.9%	\$ 7,281,072	16.8%
Other Compensation	3,779,608	2,791,339	2,783,539	(7,800)	(0.3%)	(996,069)	(26.4%)
Related Benefits	30,428,018	35,508,490	32,846,571	(2,661,919)	(7.5%)	2,418,553	7.9%
Travel	854,995	940,165	940,165	0	0.0%	85,170	10.0%
Operating Services	9,936,914	11,217,289	11,904,084	686,795	6.1%	1,967,170	19.8%
Supplies	434,173	881,734	881,734	0	0.0%	447,561	103.1%
Professional Services	1,405,936	4,265,410	4,265,410	0	0.0%	2,859,474	203.4%
Other Charges	185,257,200	176,169,091	175,482,324	(686,767)	(0.4%)	(9,774,876)	(5.3%)
Interagency Transfers	20,978,297	26,618,212	20,469,254	(6,148,958)	(23.1%)	(509,043)	(2.4%)
Acquisitions/Repairs	0	0	0	0	0.0%	0	0.0%
Total	\$ 296,542,910	\$ 307,695,319	\$ 300,321,922	\$ (7,373,397)	(2.4%)	\$ 3,779,012	1.3%

Significant funding changes compared to the FY 24 Existing Operating Budget

Interagency Transfer Expenditures	Personnel Services
<p>(\$6.1 M) decrease primarily due to:</p> <ul style="list-style-type: none"> Removal of one-time transfers used to implement fraud detection and prevention measures, among various other software upgrades, in the Helping Individuals Reach Employment (HIRE) Unemployment Insurance claim processing system 	<p>(\$1.2 M) net decrease due to:</p> <ul style="list-style-type: none"> \$3.4 M increase for various standard statewide adjustments to things such as group insurance rates and salaries (\$4.6 M) decrease for various standard statewide adjustments to things such as related benefits, retirement rates, and projected savings from vacant positions in FY 25

OTHER CHARGES / INTERAGENCY TRANSFERS

Other Charges

Amount	Description
\$ 58,279,137	2nd injury workers' compensation insurance reimbursements
37,539,592	Vocational Rehabilitation
35,857,121	Employment and training pass-through grants to local agencies
25,765,106	Incumbent Worker Training Program grants
10,014,115	Jobs for America's Graduates
6,459,249	Helping Individuals Reach Employment system improvements
984,565	Randolph Sheppard Blind Vending Program and Independent Living Services
279,424	Security and janitorial services
154,015	Outreach and recruitment
150,000	Workers' compensation administration and legal expenses
\$ 175,482,324	Total Other Charges

Interagency Transfers

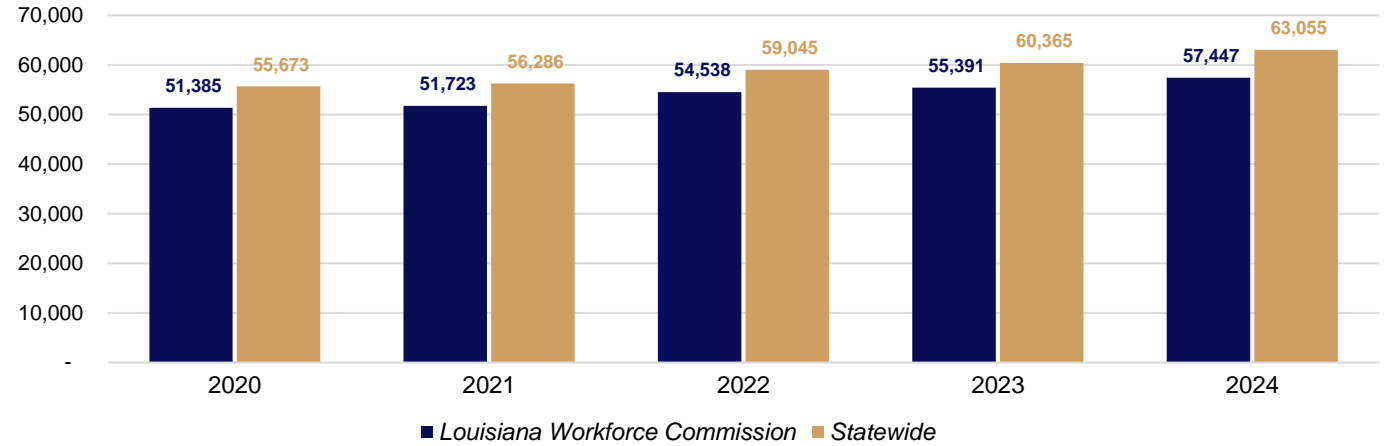
Amount	Description
\$ 16,430,964	Office of Technology Services
1,270,705	Auditing, legal, procurement, and treasury fees
971,953	Office of Risk Management
969,420	Rent and maintenance of State-owned Buildings
390,340	Civil Service and Uniform Payroll System fees
299,879	Louisiana Military Department and Capitol Police
110,993	Governor's Office of Disability Affairs
25,000	Children's Cabinet
\$ 20,469,254	Total Interagency Transfers

PERSONNEL INFORMATION

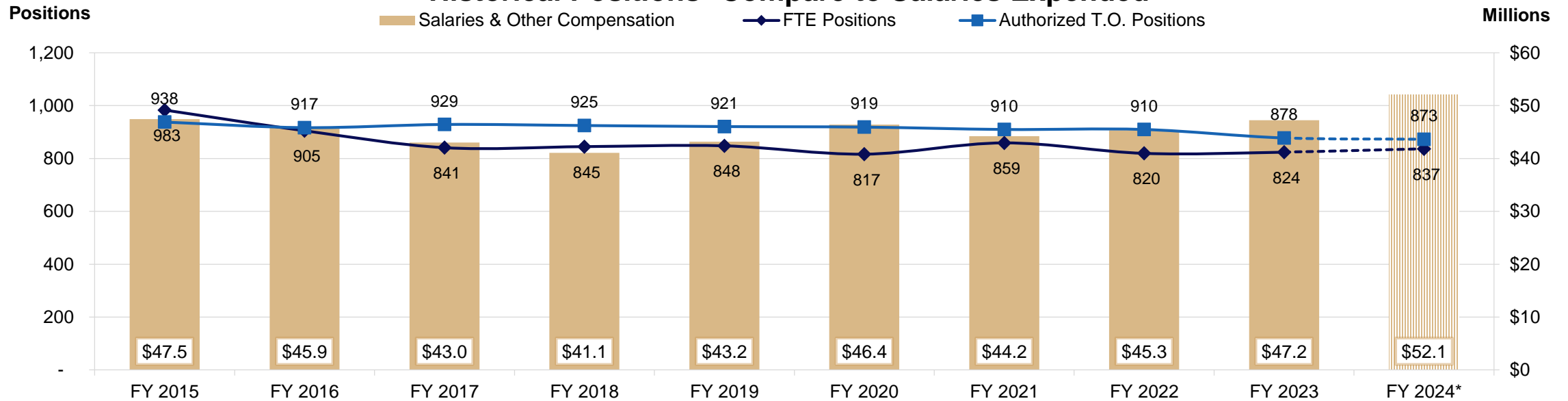
FY 2025 Recommended Positions

873	Total Authorized T.O. Positions (861 Classified, 12 Unclassified)
0	Authorized Other Charges Positions
141	Non-T.O. FTE Positions
81	Vacant Positions (January 29, 2024)

Historical Average Salary



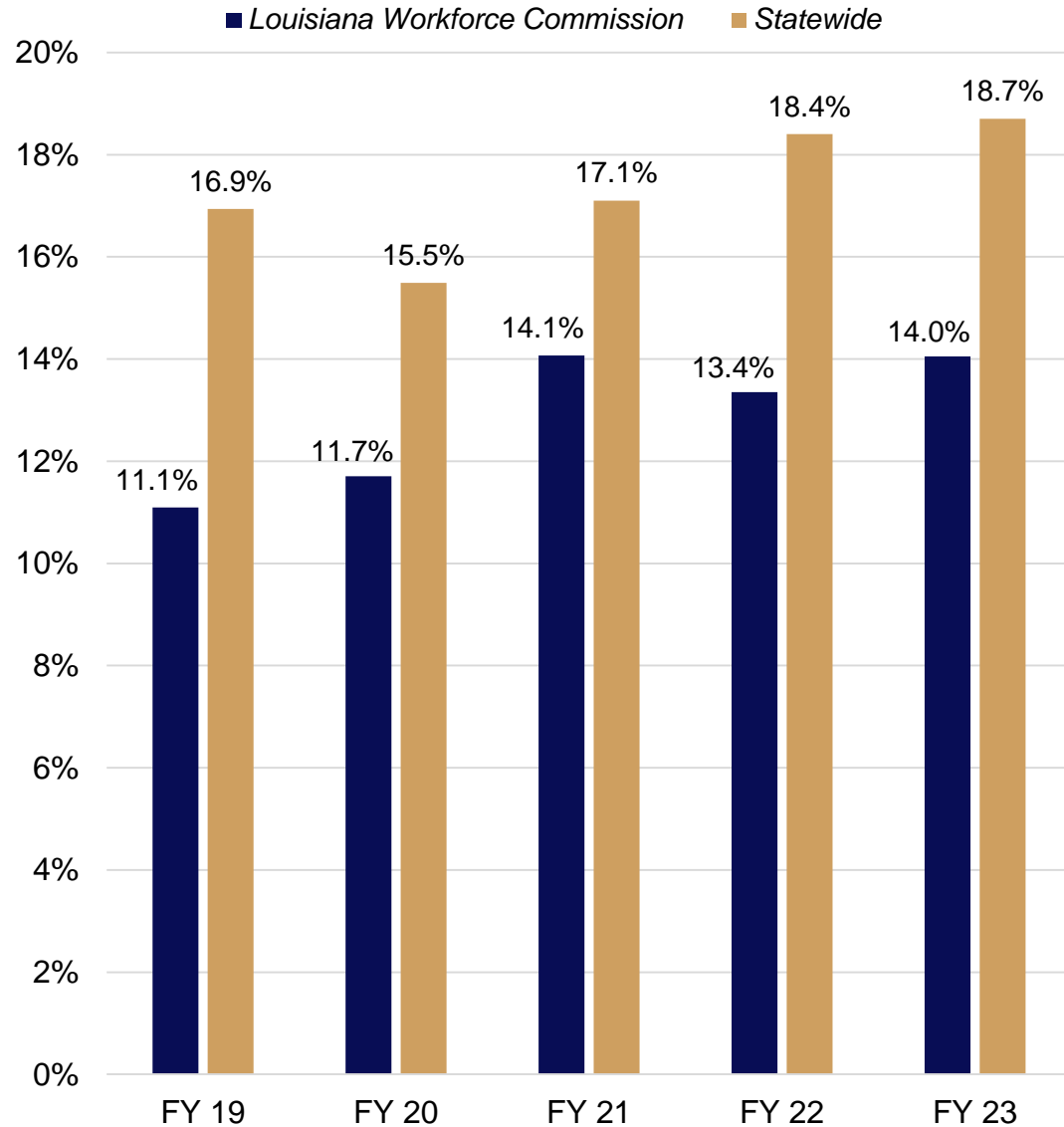
Historical Positions¹ Compare to Salaries Expended



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

* Existing Operating Budget on 12/1/23

TURNOVER HISTORY



Top Positions Vacated FY 2023

Position	Number of Employees	Separations	Turnover Rate
Workforce Development Specialist III	70	10	14.3%
Workforce Development Specialist V	39	8	20.5%
Rehab Counselor Associate	30	6	20.0%
Rehab Counselor Entry Level	18	6	33.3%
Rehab Counselor	28	5	17.9%

Source: Department of Civil Service Turnover Statistics

DEPARTMENT CONTACTS



Susana Schowen
Secretary
SSchowen@lwc.la.gov



Bennett Soulier
Undersecretary
BSoulier@lwc.la.gov

The Louisiana State Seal is a circular emblem. It features a central figure of a pelican feeding its young in a nest. The words "STATE OF LOUISIANA" are written along the top arc, and "CONFIDENCE" along the bottom arc. The words "UNION" and "JUSTICE" are separated by a dot on the left and right sides respectively. A five-pointed star is positioned on the right side of the seal.

General Department Information

PRIOR YEAR ACTUALS FY 23

Were projected revenues collected?

	Final Budget <i>(w/o FY23 carryfwd)</i>	Revenue Collections	Difference
SGF	\$ 11,095,933	\$ 10,633,949	\$ (461,984)
IAT	7,877,710	3,945,761	(3,931,949)
FSGR	72,219	16,000	(56,219)
SD	115,781,466	106,551,461	(9,230,005)
FED	190,137,234	175,395,739	(14,741,495)
Total	\$ 324,964,562	\$ 296,542,909	\$ (28,421,653)

Were collected revenues spent?

	Revenue Collections	Expenditures	Difference
SGF	\$ 10,633,949	\$ 10,633,949	\$ 0
IAT	3,945,761	3,945,761	0
FSGR	16,000	16,000	0
SD	106,551,461	99,302,371	(7,249,090)
FED	175,395,739	182,644,828	7,249,090
Total	\$ 296,542,909	\$ 296,542,909	\$ 0

The department collected \$28.4 M less than the FY 23 budget. This is primarily due to under collections in federal funds and statutory dedications.

The department's collections and expenditures in FY 23 were balanced.

According to the department, it ran into system timing issues during the close of FY 23 and had to record transactions as "borrowing" revenue from dedicated funds for federal expenditures. Upon proper federal revenue receipt, monies were deposited back into dedicated funds. The department did not spend more than its budget authority.

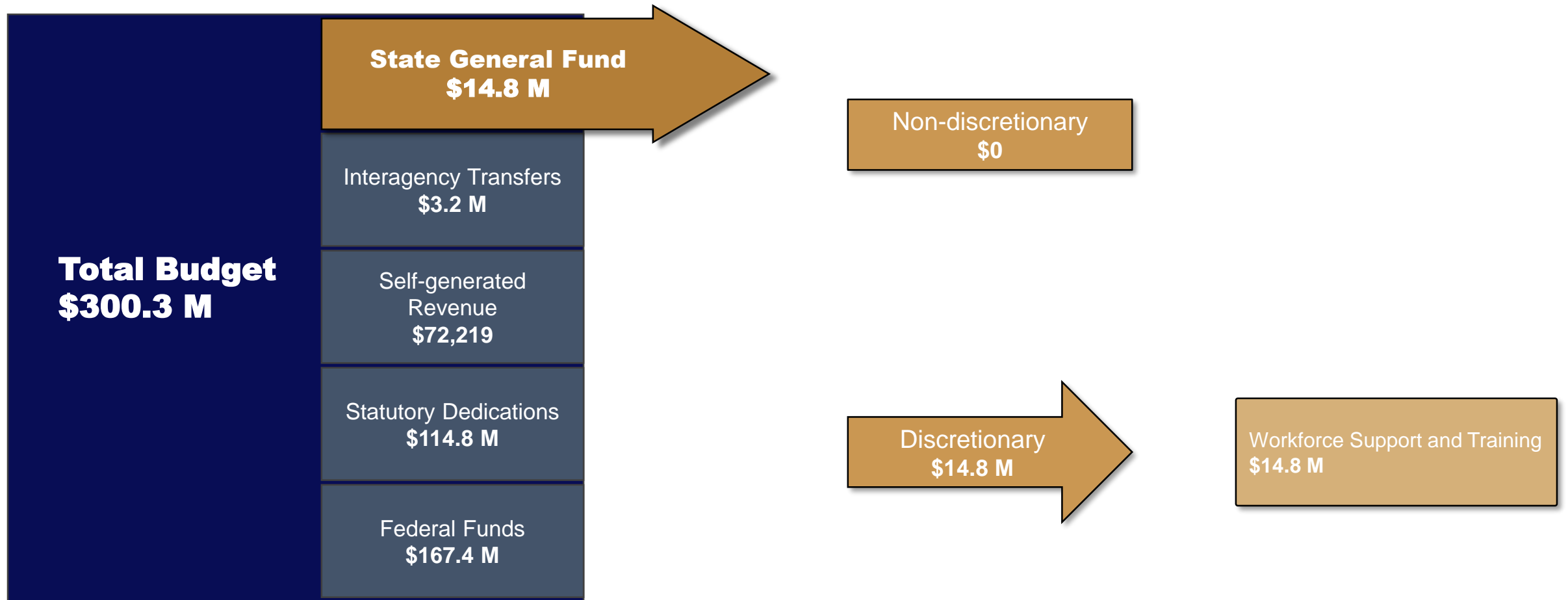
EXISTING OPERATING BUDGET FY 24

The FY 2023-24 Existing Operating Budget (EOB) was frozen on December 1, 2023. 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	\$ 14,810,048	\$ 0	\$ 14,810,048
Interagency Transfers	3,200,000	0	3,200,000
Self-generated Revenue	72,219	0	72,219
Statutory Dedications	114,568,895	0	114,568,895
Federal	175,044,157	0	175,044,157
Total	\$ 307,695,319	\$ 0	\$ 307,695,319

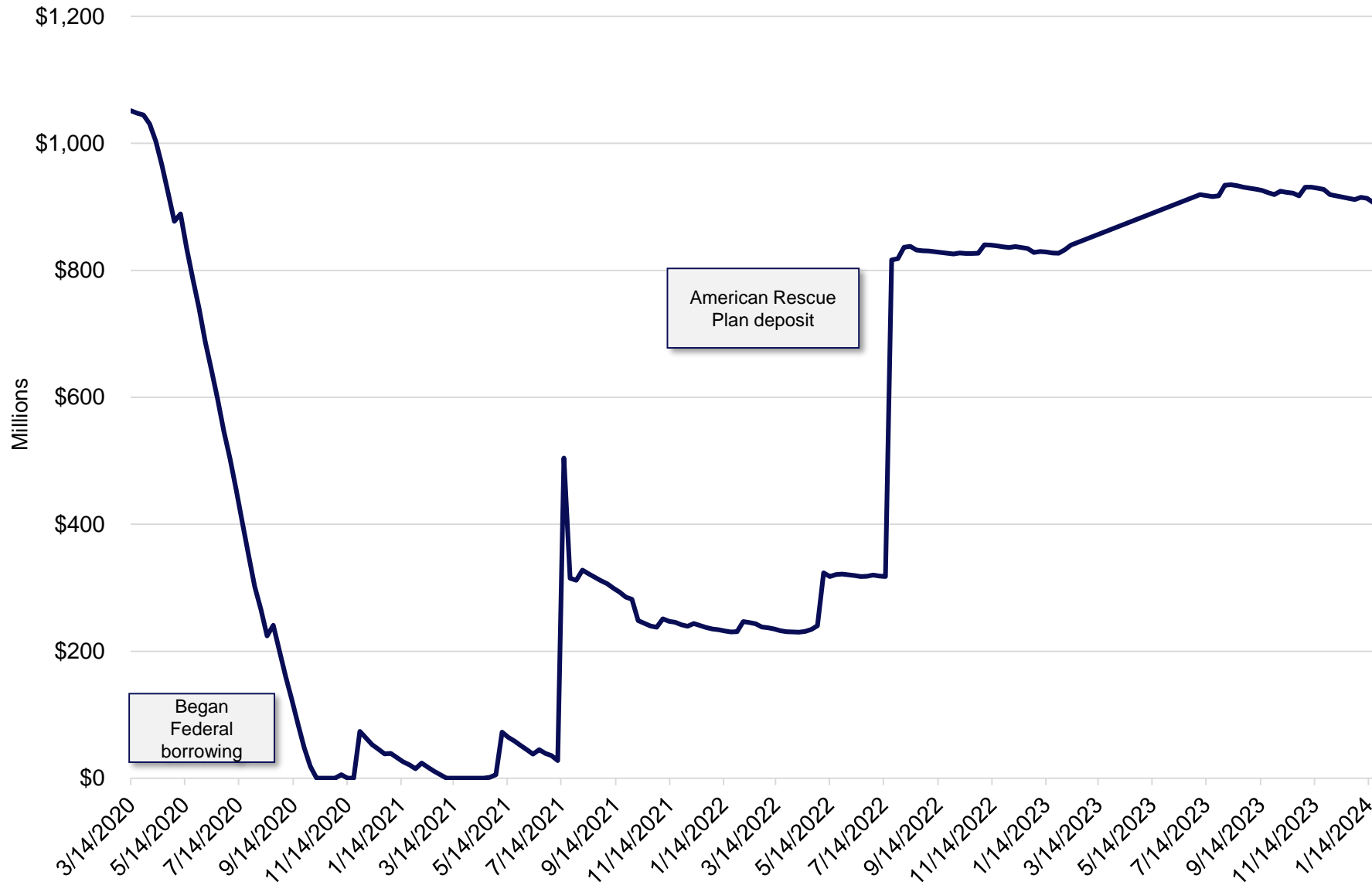
<i>Mid-year Adjustments Summary</i>				
July	August	September	October	November
No change	No change	No change	No change	No change

DISCRETIONARY EXPENSES FY 25



* Figures may not add precisely due to rounding *

STATE UNEMPLOYMENT TRUST FUND BALANCE



As of February 2, 2024, the Trust Fund balance was **\$912.1 M**

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
Greater than \$1.4 B	\$7,000	2nd 10% discount	\$312
\$1.4 B to \$1.15 B	\$7,000	N/A	\$282
\$1.15 B to \$750 M	\$7,700	N/A	\$275
\$750 M to \$400 M	\$8,500	1st 10% discount	\$249
\$400 M to \$100 M	\$8,500	No 10% discount	\$249
\$100 M to \$0	\$8,500	Solvency Tax (E1) Formula allows for up to 30% increase over	\$249
Negative	\$8,500	Surtax (F1) Formula based on repayment of debt and interest	\$249

Source: Louisiana Workforce Commission; statutes cited