

Representative Jack McFarland
Chair



Representative Jerome Zeringue
Vice-Chair

Fiscal Year 2027 Executive Budget Review

LOUISIANA WORKS

House Committee on Appropriations
House Fiscal Division

March 10, 2026

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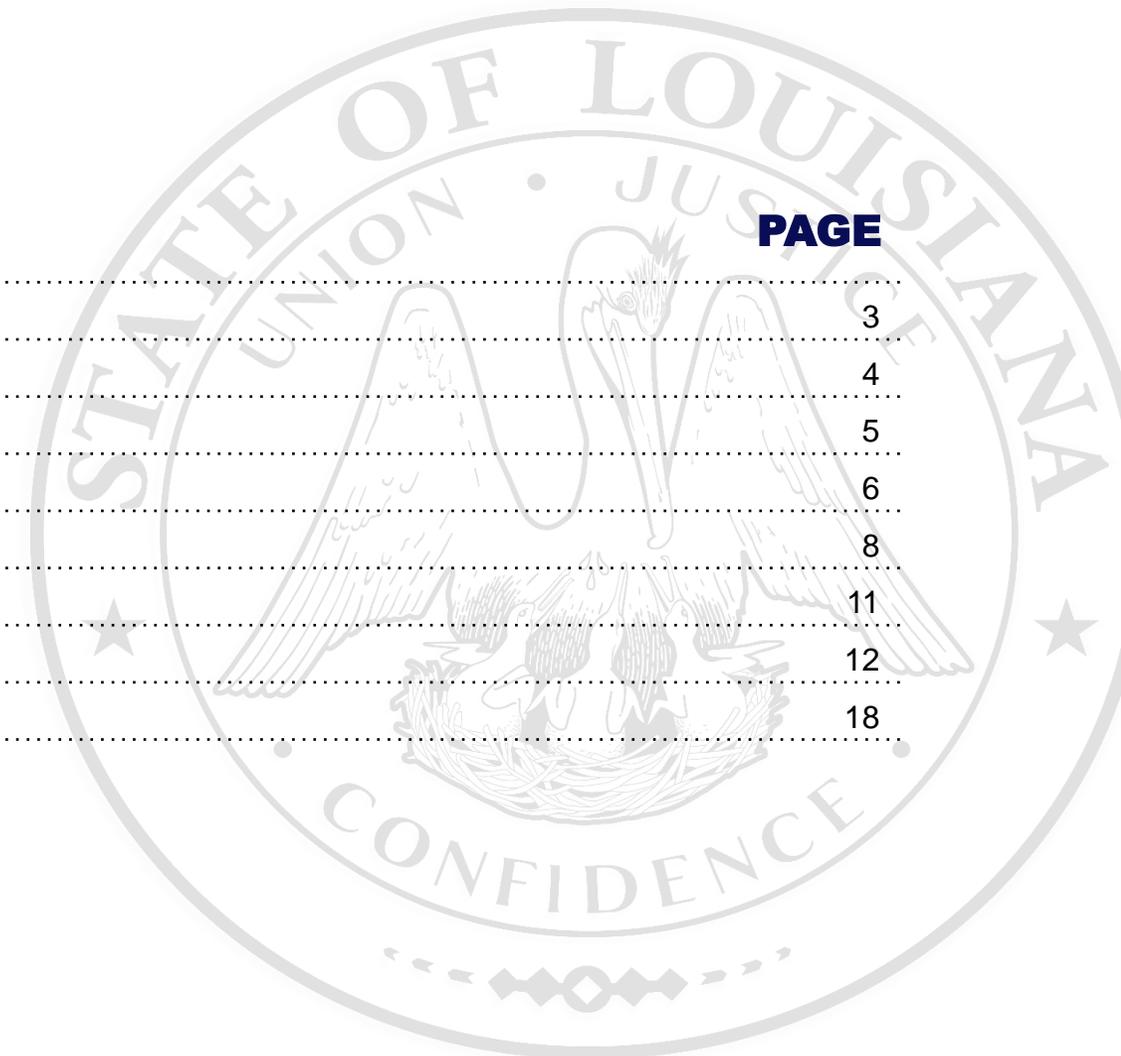
All data and figures were obtained from the governor's Fiscal Year 2026-2027 Executive Budget and Supporting Documents provided by the Office of Planning and Budget within the Division of Administration along with House Bill 1 of the 2026 Regular Session, unless otherwise noted.

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

TOPIC

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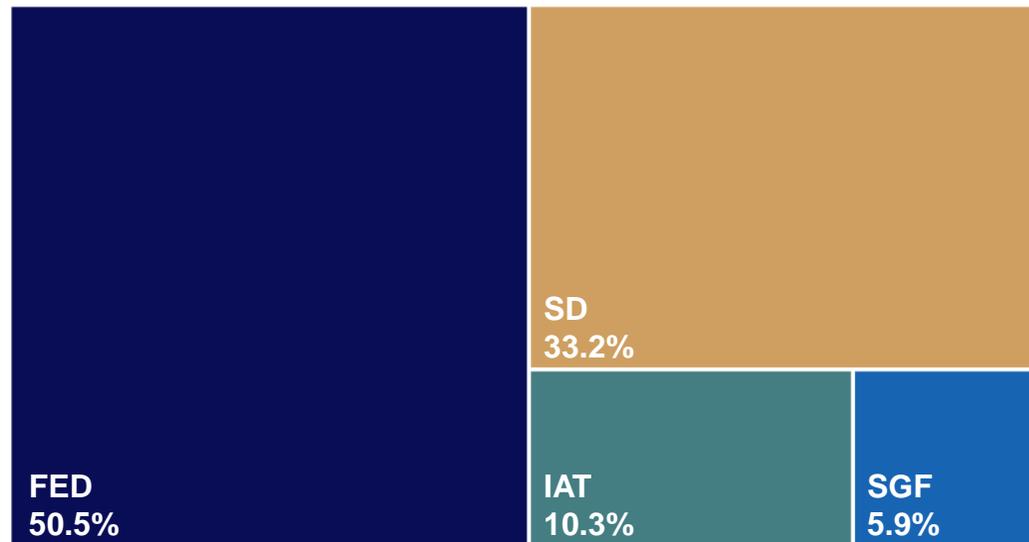
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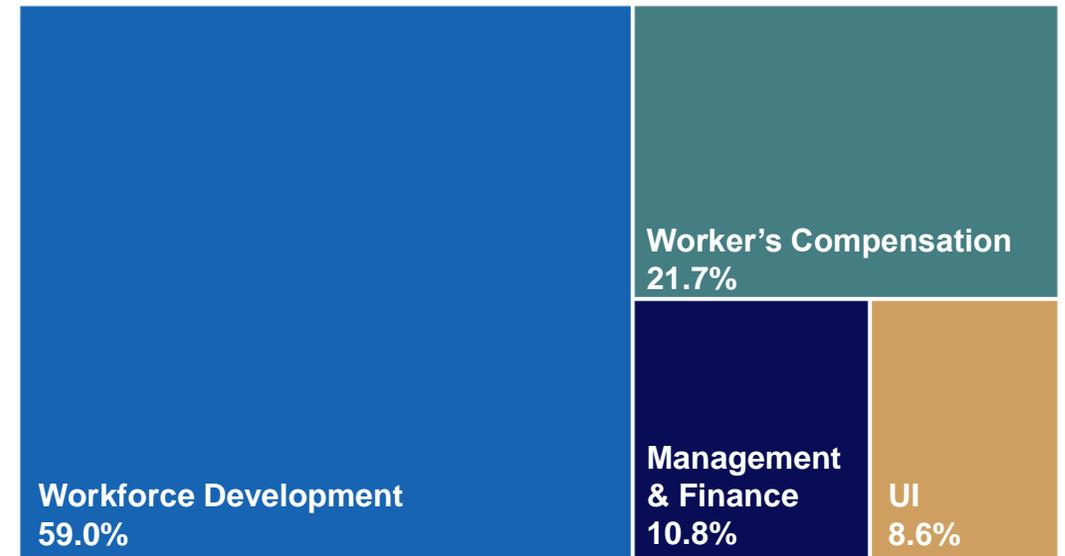
FY 27 BUDGET RECOMMENDATION

Total Funding = \$352,734,568

Means of Finance		
State General Fund	\$	20,848,560
Interagency Transfers		36,478,367
Fees & Self-generated		72,219
Statutory Dedications		117,283,619
Federal Funds		178,051,803
Total	\$	352,734,568



Program Funding & Authorized Positions			
		<i>Amount</i>	<i>Positions</i>
Management and Finance	\$	37,922,243	99
Workforce Development		208,210,117	486
Unemployment Insurance		30,232,585	225
Workers' Compensation		76,369,623	129
Total	\$	352,734,568	939



SOURCES OF FUNDING

State General Fund \$20.8 M	Interagency Transfers \$36.5 M	Self-generated Revenue \$72,219	Statutory Dedications \$117.3 M	Federal Funds \$178.1 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>Funding is derived from the following transfers:</p> <ul style="list-style-type: none"> • \$34.6 M in Supplemental Nutritional Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) funding from DCFS and LDH for the One Door service system • \$1.8 M in TANF funding from DCFS for the Jobs for America's Graduates (JAG) program 	<p>From various non-profit and for-profit organizations, via donation, for Louisiana Rehabilitation Services</p>	<p>Funding is derived from the following funds:</p> <ul style="list-style-type: none"> • \$61 M from the Workers' Comp. 2nd Injury Fund • \$26 M from the Incumbent Worker Training Account • \$19.1 M from the Workers' Comp. Admin. Fund • \$6.7 M from the Penalty and Interest Account • \$4 M from the Employment Security Admin. Account • \$563,598 from the Blind Vendors Trust Fund 	<p>\$122.6 M from the U.S. Department of Labor:</p> <ul style="list-style-type: none"> • \$77.1 M from the Workforce Innovation and Opportunity Act • \$36.2 M from Employment Security Grants • \$8.3 M from the Wagner-Peyser Act • \$919,382 from the Occupational Safety Statistical Grant <p>\$37.6 M from the U.S. Department of Education</p> <p>\$17.9 M from the U.S. Department of Health and Human Services</p>

Note: Further details on Statutory Dedication funding are under the General Budgetary Information section.

FUNDING COMPARISON

Means of Finance	FY 25 Actual Expenditures	FY 26 Existing Operating Budget 12/1/25	FY 27 HB1 Budget	Change Existing Operating Budget to HB1		Change Actual Expenditures to HB1	
SGF	\$ 22,921,508	\$ 20,680,735	\$ 20,848,560	\$ 167,825	0.8%	\$ (2,072,948)	(9.0%)
IAT	2,199,042	29,529,133	36,478,367	6,949,234	23.5%	34,279,325	1,558.8%
FSGR	4,700	72,219	72,219	0	0.0%	67,519	1,436.6%
Stat Ded	98,786,555	117,207,266	117,283,619	76,353	0.1%	18,497,064	18.7%
Federal	159,519,844	179,551,894	178,051,803	(1,500,091)	(0.8%)	18,531,959	11.6%
Total	\$ 283,431,649	\$ 347,041,247	\$ 352,734,568	\$ 5,693,321	1.6%	\$ 69,302,919	24.5%

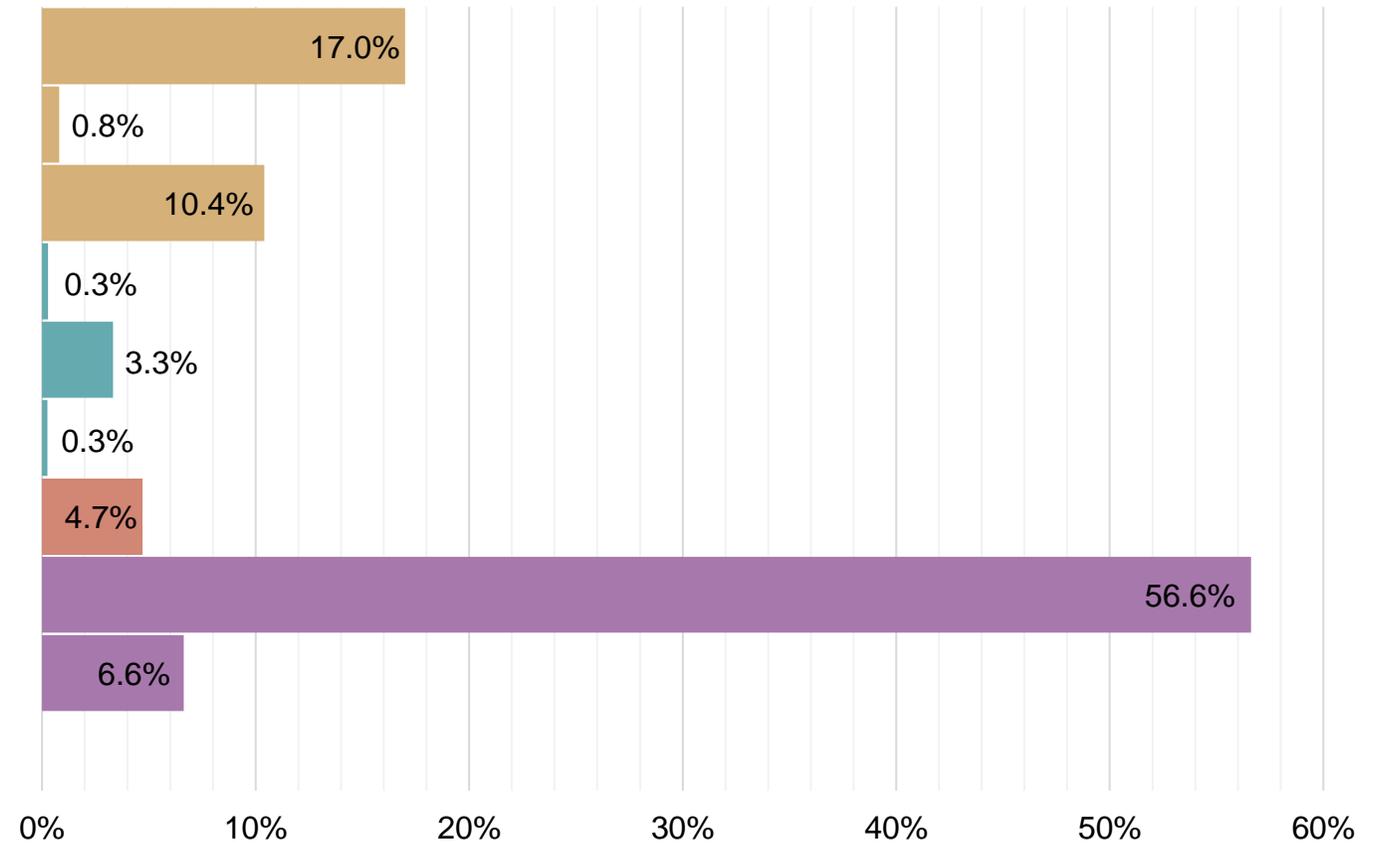
Significant funding changes compared to the FY 26 Existing Operating Budget

State General Fund	Interagency Transfers	Statutory Dedications	Federal Funds
<p>\$167,825 increase due to:</p> <ul style="list-style-type: none"> \$101,540 increase to annualize funding associated with new department functions \$66,285 increase to cover the costs associated with various standard statewide adjustments to items such as salaries and related benefits 	<p>\$6.9 M increase due to:</p> <p>The annualization of funding being transferred from the Department of Children and Family Services and Louisiana Department of Health</p>	<p>\$76,353 net increase primarily due to:</p> <ul style="list-style-type: none"> (\$211,357) decrease in the Penalty and Interest Account \$146,861 increase in the Incumbent Worker Training Account \$71,953 increase in the Workers' Compensation Second Injury Fund \$46,792 increase in the Workers' Compensation Admin. Fund 	<p>(\$1.5 M) net decrease primarily due to:</p> <ul style="list-style-type: none"> \$3.5 M increase to cover costs associated with various standard statewide adjustments (\$2.5 M) decrease in funding received through the UI Administration grant from the U.S. Dept. of Labor (\$2.3 M) decrease due to the removal of 36 vacant positions

FY 27 EXPENDITURE RECOMMENDATION

Total Budget = \$352,734,568

Expenditure Category		
Salaries	\$	59,979,428
Other Compensation		2,846,813
Related Benefits		36,710,616
Travel		967,983
Operating Services		11,734,084
Supplies		897,093
Professional Services		16,472,105
Other Charges		199,726,289
Interagency Transfers		23,400,157
Acquisitions/Repairs		0
Total	\$	352,734,568



OTHER CHARGES / INTERAGENCY TRANSFERS

Other Charges

Amount	Description
\$ 58,814,137	Workers' Compensation Insurance Reimbursements
56,382,206	Louisiana Rehabilitation Services
38,148,124	Education and training pass-through grants to local agencies
23,093,402	Incumbent Worker Training Program Grants
10,014,115	Jobs for America's Graduates
8,166,944	Strategies to Empower People (STEP) for employment and training services.
3,973,174	Helping Individuals Reach Employment (HIRE) system
343,871	Randolph Sheppard Blind Vending Program and Independent Living Services
279,424	Security and Janitorial Services
206,877	Hosting Services
154,015	Outreach and Recruitment
150,000	Workers' Compensation Administration and Legal Expenses
\$ 199,726,289	Total Other Charges

Interagency Transfers

Amount	Description
\$ 14,659,264	Office of Technology Services (OTS)
4,761,072	One Door software system - OTS
994,380	Rent and maintenance of State-owned Buildings
970,962	Office of Risk Management
875,280	Auditing, legal, procurement, and treasury fees
434,296	Civil Service and Uniform Payroll System fees
186,000	Louisiana Community Technical College System
157,910	Capitol Police
150,000	Louisiana Military Department
110,993	Governor's Office of Disability Affairs
100,000	Board of Regents
\$ 23,400,157	Total Interagency Transfers

EXPENDITURE COMPARISON

Expenditure Category	FY 25 Actual Expenditures	FY 26 Existing Operating Budget 12/1/25	FY 27 HB1 Budget	Change Existing Operating Budget to HB1		Change Actual Expenditures to HB1	
Salaries	\$ 45,482,233	\$ 57,026,895	\$ 59,979,428	\$ 2,952,533	5.2%	\$ 14,497,195	31.9%
Other Compensation	2,146,878	2,829,778	2,846,813	17,035	0.6%	699,935	32.6%
Related Benefits	30,265,923	34,879,997	36,710,616	1,830,619	5.2%	6,444,693	21.3%
Travel	737,778	962,983	967,983	5,000	0.5%	230,205	31.2%
Operating Services	5,905,025	11,733,084	11,734,084	1,000	0.0%	5,829,059	98.7%
Supplies	384,683	891,593	897,093	5,500	0.6%	512,410	133.2%
Professional Services	1,027,879	13,733,168	16,472,105	2,738,937	19.9%	15,444,226	1,502.5%
Other Charges	179,690,918	201,331,716	199,726,289	(1,605,427)	(0.8%)	20,035,371	11.1%
Interagency Transfers	17,790,332	23,652,033	23,400,157	(251,876)	(1.1%)	5,609,825	31.5%
Acquisitions/Repairs	0	0	0	0	0.0%	0	0.0%
Total	\$ 283,431,649	\$ 347,041,247	\$ 352,734,568	\$ 5,693,321	1.6%	\$ 69,302,919	24.5%

SIGNIFICANT EXPENDITURE CHANGES

Compared to the FY 26 Existing Operating Budget

Personnel Services	Professional Services	Other Charges
<p>\$4.8 M net increase due to items such as:</p> <ul style="list-style-type: none"> \$5.9 M net increase for various standard statewide adjustments to salaries including group insurance, related benefits, and retirement changes (\$3.6 M) decrease due to the reduction of 36 vacant T.O. positions primarily in the Office of Workforce Development \$2.6 M increase associated with the implementation of the new “One Door” service system, mandated by Act 478 of the 25 R.S. 	<p>\$2.7 M increase due to:</p> <p>The implementation of the new “One Door” service system, mandated by Act 478 of the 25 R.S., that relocated the following family and support workforce development programs to Louisiana Works:</p> <ul style="list-style-type: none"> Supplemental Nutrition Assistance Program (SNAP) - Employment and training (E&T) <ul style="list-style-type: none"> ➤ A voluntary program that helps SNAP recipients gain skills and training to secure or improve employment Strategies to Empower People (STEP) Work Program <ul style="list-style-type: none"> ➤ Requires work-eligible Family Independence Temporary Assistance Program (FITAP) recipients to participate in job training, employment, and supportive services 	<p>(\$1.6 M) net decrease primarily due to items such as:</p> <ul style="list-style-type: none"> (\$2.5 M) decrease to Unemployment Insurance Program activities to reflect the actual amount of federal funding received from the U.S. Department of Labor \$1.1 M increase associated with the implementation of the new “One Door” service system, mandated by Act 478 of the 25 R.S. (\$196,904) decrease due to a change in the provider of adjudication services for the Louisiana Rehabilitation Services (LRS) program

UI TRUST FUND TRIGGER IMPACT

Projected UI Trust Fund Balance	Tax Rate Implications Wage Base <i>R.S. 23:1474</i>	Rates <i>R.S. 23:1536</i>	Maximum Weekly Benefit Amount <i>RS 23:1474</i>
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

Projected UI Trust Fund balance for 2026: \$1,196,614,026

The increase in this year's projected fund balance triggered the next statutory tax and benefit tier – resulting in a lower employer tax rate and a higher maximum weekly benefit amount

DEPARTMENT CONTACTS



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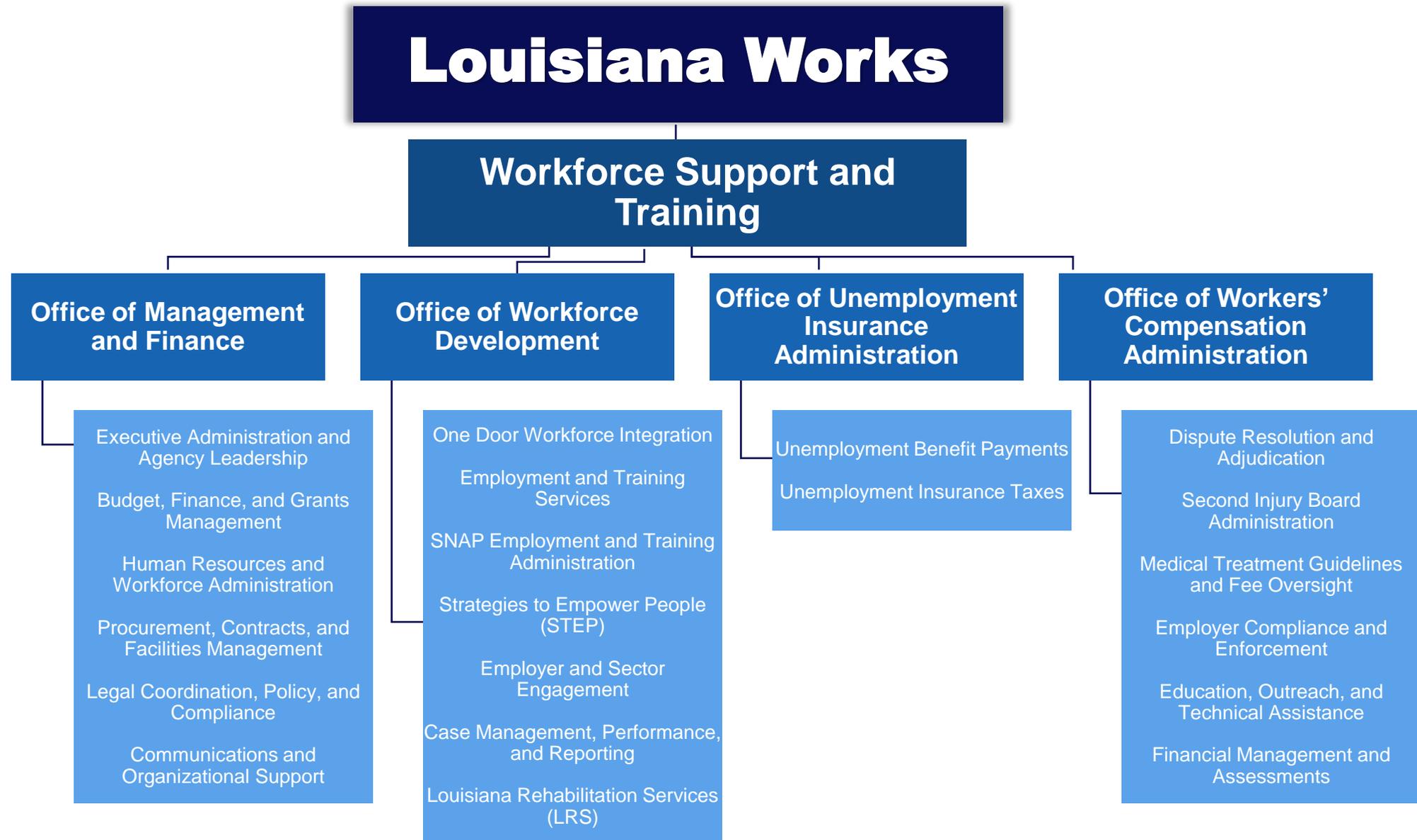
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The Louisiana State Seal is a circular emblem. It features a central figure of a pelican feeding its young in a nest. The words "STATE OF LOUISIANA" are written along the top arc, and "UNION • JUSTICE" along the bottom arc. A five-pointed star is positioned on the right side of the seal. The seal is rendered in a light gray, semi-transparent style in the background.

General Department Information

DEPARTMENT ORGANIZATION



Office of Management and Finance

Executive Administration and Agency Leadership:

- Provides leadership and management oversight for departmental programs; communicates agency direction; establishes priorities; and supports informed decision-making across all divisions

Budget, Finance, and Grants Management:

- Develops and administers the agency budget and performs activities related to budgeting, accounting, and personnel

Human Resources and Workforce Administration:

- Administers personnel policies, recruitment, classification, payroll coordination, performance management, and employee relations

Procurement, Contracts, and Facilities Management:

- Oversees procurement and contracting processes and manages facilities, assets, and equipment; and ensures cost-effective acquisition of goods and services necessary for agency operations

Legal Coordination, Policy, and Compliance:

- Coordinates legal services and ensures compliance with applicable laws, regulations, and audit requirements

Communications and Organizational Support:

- Supports internal communications, public information, and outreach activities that increase awareness of agency programs



LOUISIANAWORKS

Office of Workforce Development

One Door Workforce Integration:

- Coordinates workforce development programs, public assistance employment initiatives, and partner services under a unified service delivery framework

Employment and Training Services:

- Provides job search assistance, career counseling, education, occupational training, work-based learning, and supportive services to job seekers and eligible participants

SNAP Employment and Training Administration:

- Administers SNAP E&T services that connect eligible participants to employment and training opportunities while coordinating benefits, case management, and supportive services

Strategies to Empower People (STEP):

- Delivers targeted employment and training services to non-custodial parents and other eligible participants to increase employment, earnings, and compliance with child support obligations

Employer and Sector Engagement:

- Works with employers, industry partners, and workforce boards to align training investments with labor market needs and support talent development strategies

Case Management, Performance, and Reporting:

- Oversees coordinated case management, performance monitoring, and reporting to ensure compliance with state and federal requirements and to support continuous improvement

LOUISIANAWORKS

LOUISIANA WORKS

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

Dispute Resolution and Adjudication:

- Administers workers' compensation disputes through mediation and adjudication processes that ensure timely, fair resolution consistent with state statutes and regulations

Second Injury Board Administration:

- Oversees employer and insurer reimbursement claims related to qualifying second injuries, subsequent injuries, and pre-existing conditions, ensuring accurate determinations and timely payments

Medical Treatment Guidelines and Fee Oversight:

- Develops, implements, and enforces medical treatment guidelines, utilization review processes, and provider standards to ensure appropriate care and cost containment

Employer Compliance and Enforcement:

- Conducts compliance monitoring, investigations, and enforcement actions related to workers' compensation coverage requirements

Education, Outreach, and Technical Assistance:

- Conducts compliance monitoring, investigations, and enforcement actions related to workers' compensation coverage requirements

Financial Management and Assessments:

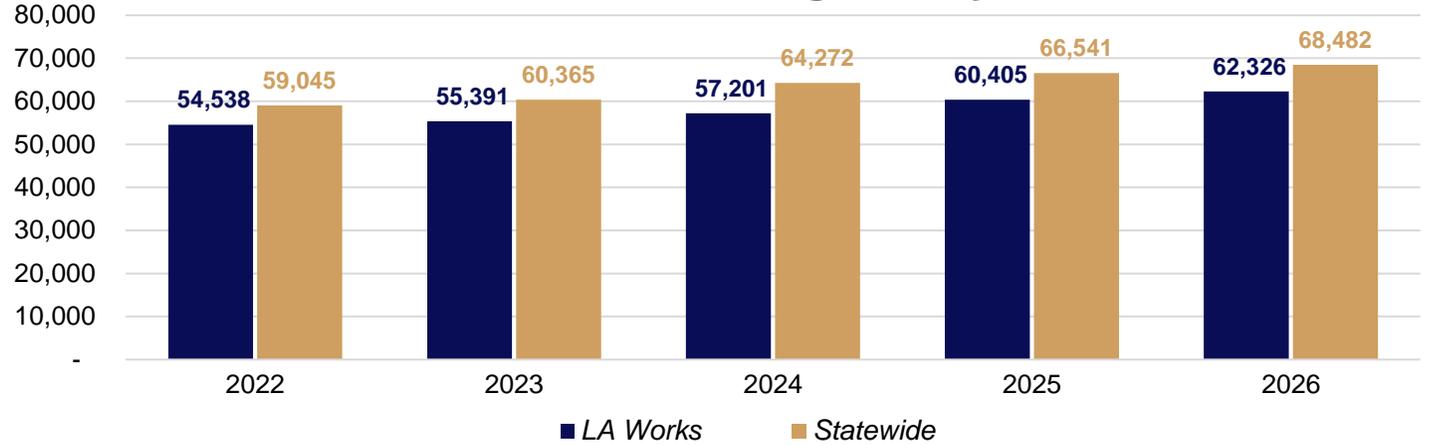
- Administers assessments, reimbursement funding, and related financial operations to maintain adequate program funding and long-term fiscal sustainability

PERSONNEL INFORMATION

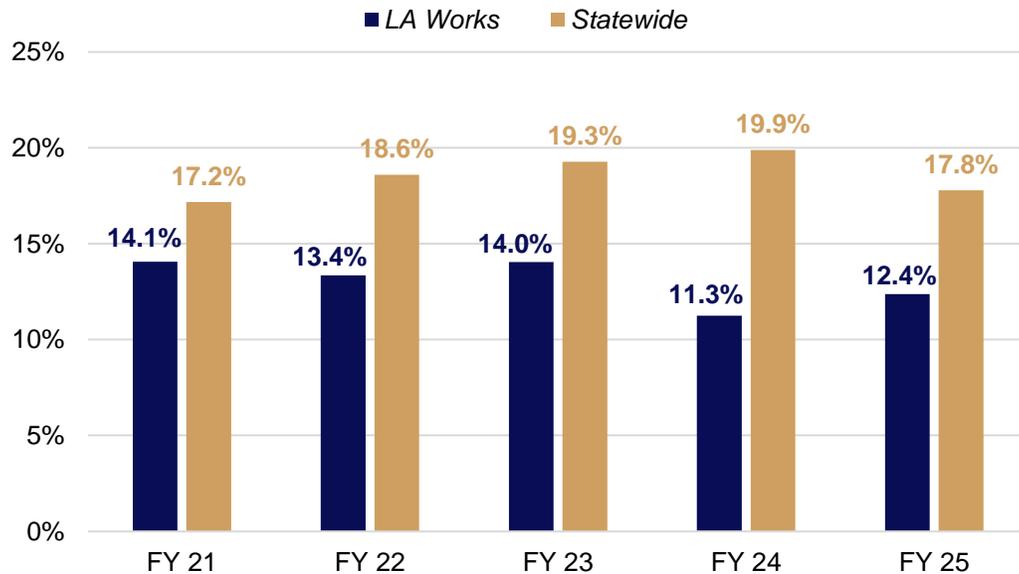
FY 2027 Recommended Positions

939	Total Authorized T.O. Positions (927 Classified, 12 Unclassified)
0	Authorized Other Charges Positions
142	Non-T.O. FTE Positions
159	Vacant Positions (December 3, 2025)

Historical Average Salary



Turnover History



Top Positions Vacated FY 2025

Position	Number of Employees	Separations	Turnover Rate
Workforce Development Specialist III	66	9	13.6%
Entry Rehabilitation Counselor	22	8	36.4%
Rehabilitation Counselor	31	6	19.4%
Administrative Coordinator IV	29	6	20.7%
Rehabilitation Associate Counselor	21	6	28.6%

Source: Department of Civil Service

The seal of the State of Louisiana is faintly visible in the background. It features an eagle with its wings spread, perched on a nest with two birds. The text around the seal includes "STATE OF LOUISIANA", "UNION • JUSTICE", and "CONFIDENCE".

General Budgetary Information

FY 26 EXISTING OPERATING BUDGET

The FY 2025-26 Existing Operating Budget (EOB) was frozen on December 1, 2025. 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	\$ 20,310,048	\$ 370,687	\$ 20,680,735
Interagency Transfers	1,700,000	27,829,133	29,529,133
Self-generated Revenue	72,219	0	72,219
Statutory Dedications	117,207,266	0	117,207,266
Federal	179,551,894	0	179,551,894
Total	\$ 318,841,427	\$ 28,199,820	\$ 347,041,247

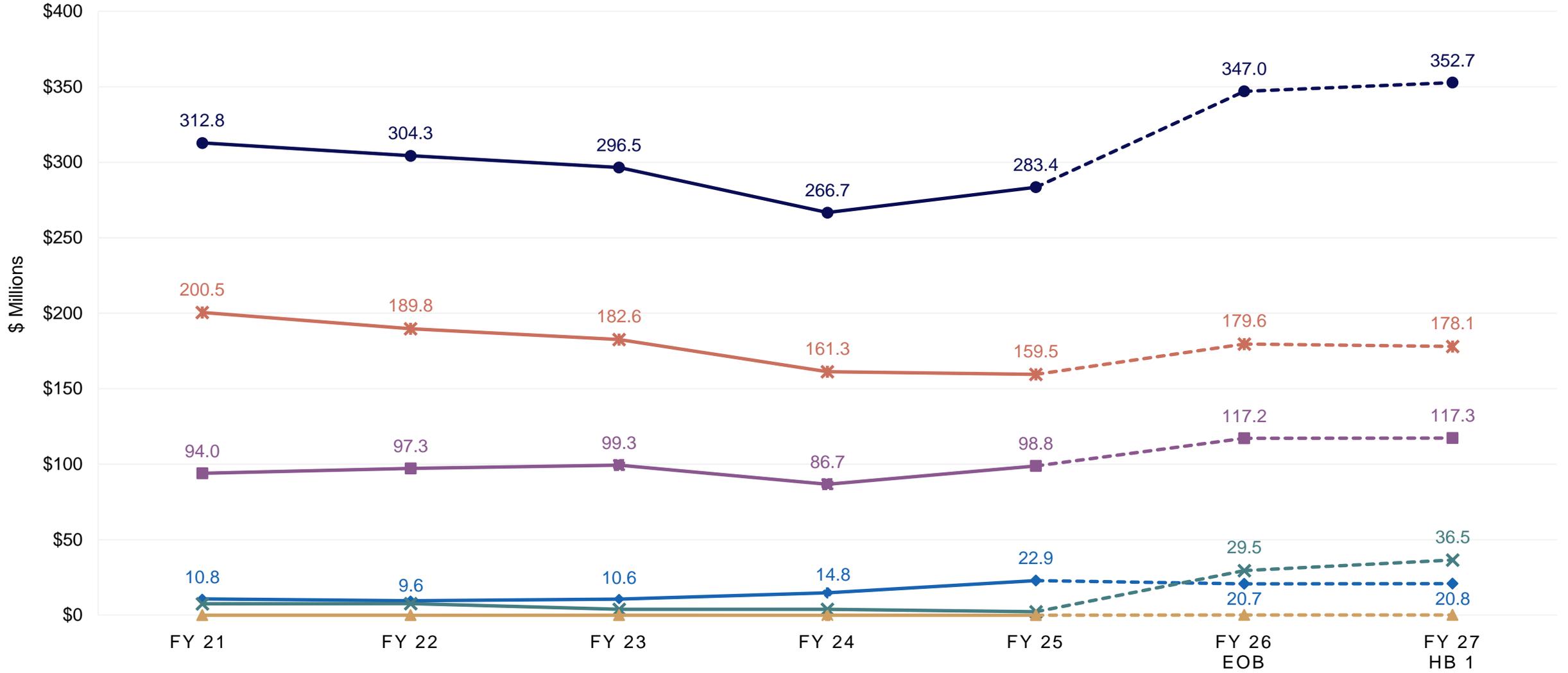
Mid-year Adjustments Summary				
July	August	September	October	November
No change	No change	\$28.2 M Transfers 107 positions and the associated funding to the department from LDH and DCFS for the implementation of the "One Door" service system	No change	No change

HISTORICAL SPENDING

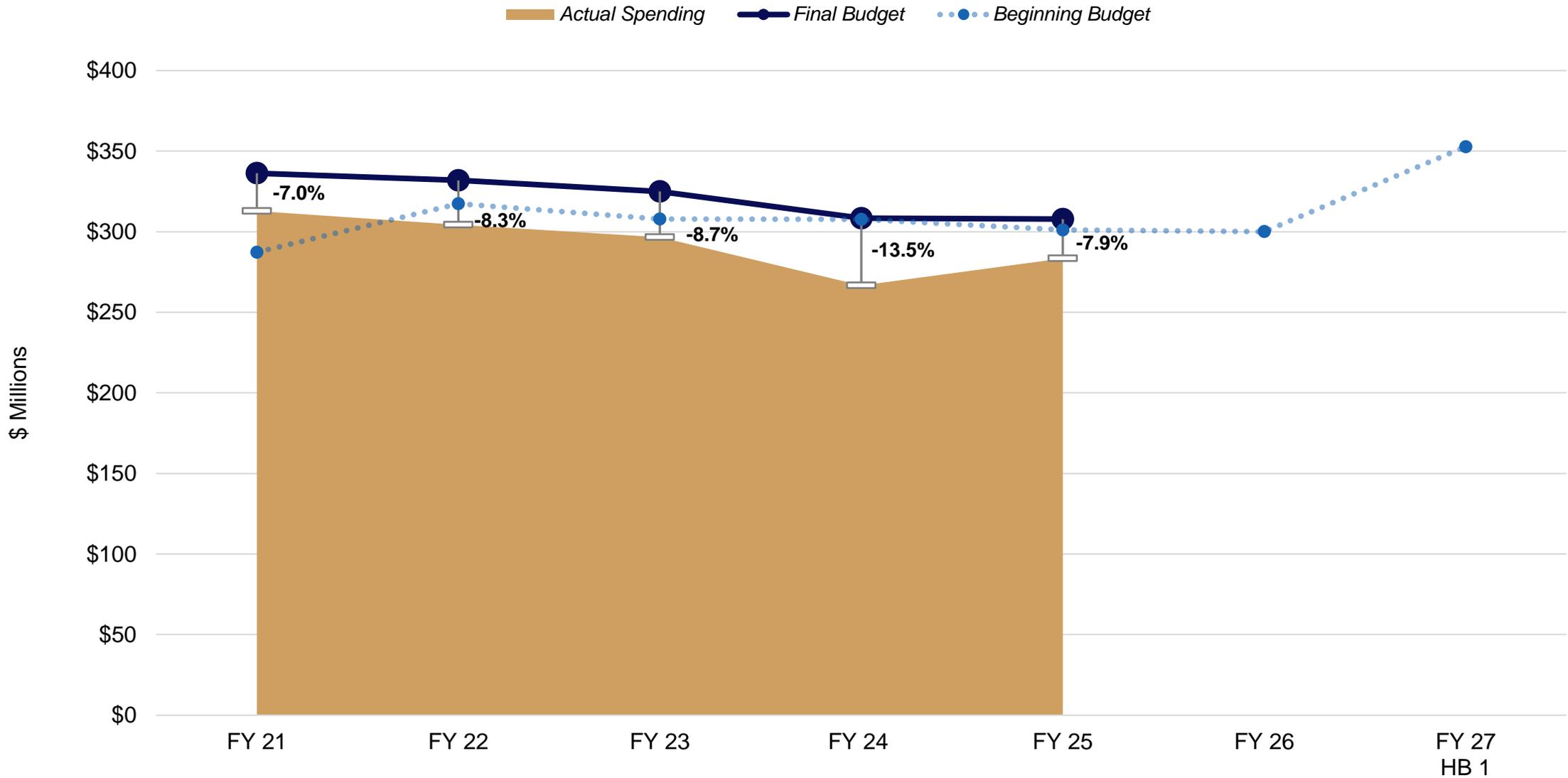
◆ State General Fund
✕ Interagency Transfers
▲ Fees & Self-generated
■ Statutory Dedications
✱ Federal Funds
● Total Budget

Annual Average Spending Change from FY 21 to 25:

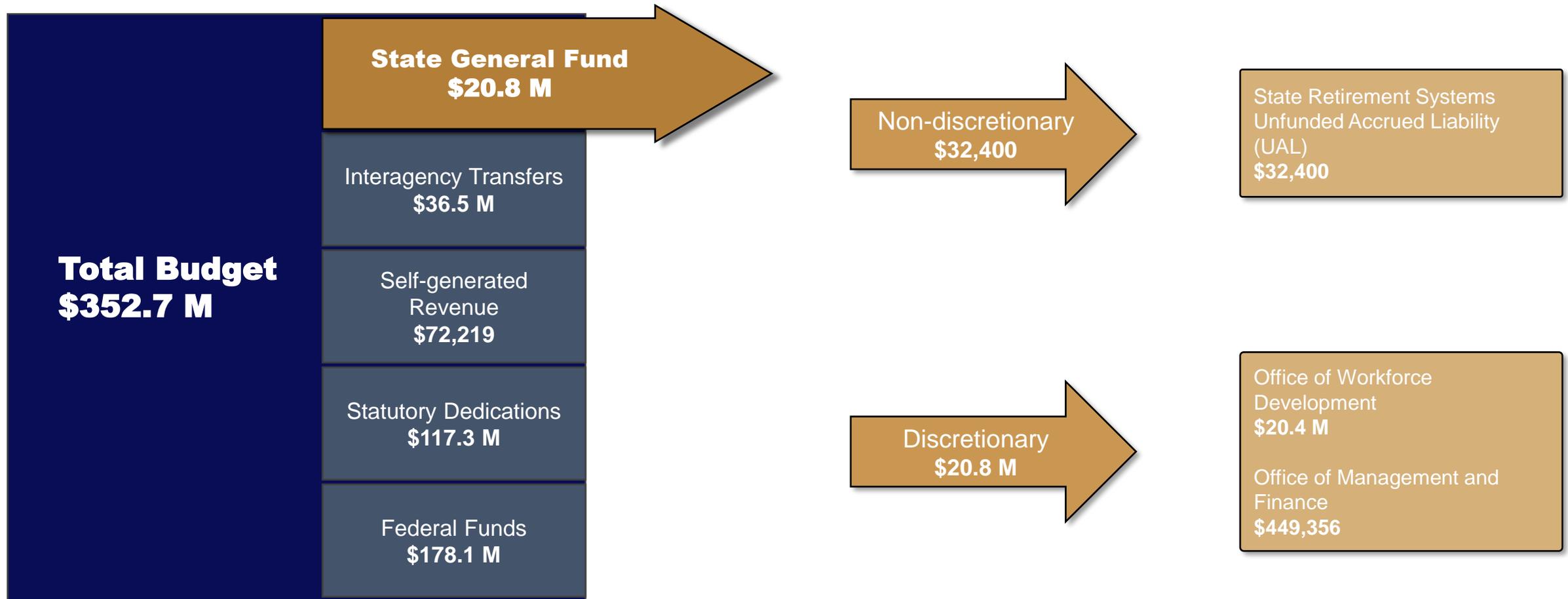
20.7%	(26.5%)	(41.1%)	1.2%	(5.6%)	(2.4%)
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HISTORICAL BUDGET



DISCRETIONARY EXPENSES



* Figures may not add precisely due to rounding *

STATUTORY DEDICATIONS

Fund Name	Source	Usage	FY 26 EOB	FY 27 HB1
Workers' Compensation Second Injury Fund	(RS 23:1371) – Insurance fees	Cases of workers' compensation that result from a subsequent, secondary injury	\$60,888,242	\$60,960,195
Incumbent Worker Training Account	(RS 23:1514) – Unemployment charges on employers	Incumbent Worker Training Program for businesses that incur UI tax liability	\$25,855,033	\$26,001,894
Workers' Compensation Administration Fund	(RS 23:1310.11) – Fees from workers' compensation disputes	Administering Workers' Compensation	\$19,007,476	\$19,054,268
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	\$6,915,021	\$6,703,664
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	\$3,991,157	\$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	\$550,337	\$563,598
Total			\$117,207,266	\$117,283,619