

Louisiana Streamlining Commission

Suggested Recommendations to Advisory Committee Chairmen

Preamble:

The following comments on this cover sheet have been prepared at the Mercatus Center by Hon. Maurice McTigue. The purpose of the analysis was to identify issues that the committee might pursue and finally develop into recommendations to the full commission.

- The suggested recommendations are based on very limited information and the committee's local knowledge may determine that the suggestions are not viable. In that case the Committee should discard the suggested recommendation.
- If the Committee thinks the suggestion has merit then they should refer it to officials for their analysis.
- Some of our suggestions may be recommending a practice that is already in place, in which case the recommendation may be put aside or may be worded to endorse that practice or to extend it further than is the current practice.

Workforce Commission:

- There is a significant co-mingling of funds in the Workforce Commission, and we have difficulty separating out state funds from federal funds and workers compensation funds.
- The cost per client served would be useful information in making value for money judgments about different programs. The figures given seem to aggregate the person served, the employer and sometimes the family to produce the figures for people assisted.
- Measures for some programs need to shift from people enrolled to the more outcome oriented measure of the proportion of people assisted who find employment.
- The fraud division of Workers Compensation seems to launch a very large number of investigations and only a very small number of these investigations get to prosecution. Are they over zealous or are they finding non-court solutions?

Savings:

- We were not able to find savings that related to state dollars, however a closer examination of cost per client served or cost per result achieved might identify some under-performing programs.



Commission on Streamlining Government: Program Effectiveness

September 8, 2009

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State in one sentence the core business of your department:

The Louisiana Workforce Commission will be the indispensable provider of workforce solutions for businesses and job seekers of Louisiana.

Office of Workforce Development

Community Services Block Grant (CSBG)

Outcome addressed by this program:

- Support of activities designed to assist low-income families and individuals in removing obstacles and resolving problems that block the achievement of self-sufficiency

How many members of the public are directly involved in or impacted by this program:

- 382,151 individuals FY 08

How much money was expended on this program in the last fiscal year:

- \$15,267,582 FY 08

Measure used to determine success:

- Number of individuals and families achieving 85% of planned CSBG-supported activities
- Number of individuals and families assisted with CSBG supported activities.

Level of success during each of the last three years:

- 382,151 individuals assisted FY08
- 366,056 individuals assisted FY07
- 585,808 individuals assisted FY06

The societal issue addressed by the program is getting better, remaining static, or deteriorating.

- Difficult to judge considering recent downturn in economy, but the program is not deteriorating

Job Training & Placement

Outcome addressed by this program:

- Well-trained workforce through federally funded job-training program

How many members of the public are directly involved in or impacted by this program:

- Approximately 185,000 participants served PY08

How much money was expended on this program in the last fiscal year?

- Approximately \$45M (federal funds) PY08

Measure used to determine success:

- Employment
- Retention
- Average Wage

Level of success during each of the last three years:

WIA Common Measures			
	PY06 Actual	PY07 Actual	PY08 Actual**
Adult			
Entered Employment	67.4%	67.7%	66.2%
Employment Retention	83.6%	81.3%	79.8%
Average Earnings**	\$12,082	\$12,357	\$12,620
Youth			
Placement in Employment or Education	64.2%	65.1%	66.8%
Attainment of a Degree or Certificate	52.1%	48.0%	52.2%
Literacy and Numeracy Gains	52.2%	25.9%	40.2%

**Preliminary PY08 Actual pending final data review

The societal issue addressed by this program is getting better, remaining static, or deteriorating:

- Getting better.

Jobs for Veterans Act

Outcome addressed by this program:

- Preparing and placing Veterans in jobs
- Providing 3.5 days of transitional assistance classes to all demobilized veterans

How many members of the public are directly involved in or impacted by this program:

- Veterans served in the last 12 months are 24,024, a 32% increase over the previous 12 months.
- 1680 veterans attended transitional assistance program classes

How much money was expended on this program in the last fiscal year:

- \$2,292,559

Measure used to determine success:

- NEGOTIATED PERFORMANCE PY2009
 - Performance Targets for Jobs for Veterans State Grant Funded Staff
 - o DVOP:
 - Disabled Veterans EER 59%
 - Disabled Veterans ERR 78%
 - o LVER:
 - Recently Separated Veterans EER 65%
 - Recently Separated Veterans ERR 80%
 - o DVOP/LVER Consolidated:
 - Veterans EER –Weighted 65%
 - Veterans ERR 78%
 - Veterans Average Earnings \$15,750
 - Performance Targets for One-Stop Services for Veterans
 - o Veterans Entered Employment Rate (EER) 64%
 - o Veterans Employment Retention Rate (ERR) 80%
 - o Veterans Average Earnings (AE) \$16,750
 - o Disabled Veterans EER 58%
 - o Disabled Veterans ERR 80%
 - o Disabled Veterans AE \$16,500

Level of success during each of the last three years:

- Improving Annually
 - 2008 grant staff achievement rate was 83%; total one stop result 67%

ONE STOP RESULTS		
Vets EER	Target= 62%	Result=62%
Vets ERR	Target=80%	Result=78%
 - 3rd Quarter 2009

ONE STOP RESULTS		
Vets EER-	Target= 62%	Result=64%
Vets ERR	Target =80%	Result =82%

The societal issue addressed by the program is *getting better, remaining static, or deteriorating*:

- Getting better

Rapid Response

Outcome addressed by this program:

- Plan and deliver services to enable dislocated workers to transition to new employment as quickly as possible following a plant closure or mass layoff

How many members of the public are directly involved in or impacted by this program:

- Approximately 7,500 individuals FY08

How much money was expended on this program in the last fiscal year:

- \$3,594,233 was budgeted (federal funds)

Measure used to determine success:

- Number of dislocated workers who receive re-employment services

Level of success during each of the last three years:

- FY08 -unknown
- FY07- 1,950 workers received re-employment services
- FY06 - 909 workers received re-employment services

The societal issue addressed by this program is getting *better, remaining static, or deteriorating*:

- The societal issue is getting better. Many employers throughout the state are unaware of the re-adjustment services provided by Rapid Response Practitioners. Services are provided at no cost to the dislocated workers. Most employers upon receiving rapid response services are extremely pleased with the quality of service and wealth of information provided. Through efforts of outreach and marketing, businesses throughout the state are learning more about rapid response services.

Recovery Workforce Training Program (RWTP)

Outcome addressed by this program:

- Recruit, assess, train, and employ disadvantaged individuals living or willing to work in the 20 parishes most impacted by Hurricanes Katrina and Rita

How many members of the public are directly involved in or impacted by this program:

- As the Community Development Block Grant Program moves into the fourth quarter of 2009, the third year of this three-year grant, the program has had approximately 8,300 participants enter training in the six sectors on which this grant focuses. Of the number that have entered training, about 5,983 of those have completed training and 2,880 have been placed in employment.

How much money was expended on this program in the last fiscal year:

- \$11,123,089

Measure used to determine success:

- The contractors are judged on how well they were able to meet their contracted goal for the number of participants that complete training and the number of trainees placed into employment. This program must also serve at least 51% of the citizens that are classified as low-to-moderate income (LMI) individuals.

Level of success during each of the last three years:

- Over the past three years, the program has enrolled 8,300 participants with a successful training completion rate of 72%

The societal issue addressed by this program is *getting better, remaining static, or deteriorating*:

- RWTP must meet the Department of Housing and Urban Development's national objective for serving LMI citizens of Louisiana and follow all federal and state program policies. Training this target population has taken longer and requires more resources to educate them because of their severe lack of educational preparation, which must be addressed prior to enrolling in a skill development course. Therefore, from this experience, the societal issue of training the LMI population is becoming more complicated.

Trade Adjustment Assistance (TAA)

Outcome addressed by this program:

- To transition trade-impacted workers from jobs in declining industries to suitable jobs in demand industries

How many members of the public are directly involved in or impacted by this program:

- FY08-09, the program impacted 3,294 individuals

How much money was expended on this program in the last fiscal year:

- FY08-09, \$391,772 was expended.

Measure used to determine success:

- The key success benchmark is tracking the number of state-wide dislocated workers enrolled into TAA-supported training programs.

Level of success during each of the last three years:

- FY08-09, 277 participants enrolled
- FY07-08, 151 participants enrolled
- FY06-07, 90 participants enrolled.

The societal issue addressed by this program is getting *better, remaining static, or deteriorating*:

- The economy within the state of Louisiana relies heavily on international commerce, and is therefore highly susceptible to the influences of international trade. International trade can have a far-reaching impact on industries throughout the state. TAA training allows communities to balance the negative impacts created by these international competitors. The need for TAA will likely remain strong as industries continue to globalize.

Incumbent Worker Training (IWTP)

Outcome addressed by this program:

- The Incumbent Worker Training Program (IWTP) is a partnership between the Louisiana Workforce Commission (LWC), business and industry, and training providers. IWTP is designed to benefit business and industry by assisting in the skill development of existing employees and thereby increasing employee productivity and the growth of the company. These improvements are expected to result in the creation of new jobs; the retention of jobs that otherwise may have been eliminated; and an increase in wages for trained workers. The program is funded by a portion of Unemployment Insurance (UI) tax contributions dedicated solely for customized training.

How many members of the public are directly involved in or impacted by this program:

- FY-08-09, 69,460 Louisiana workers were trained under this program. (Since the program's inception FY98-99, 362,390 employees of Louisiana businesses have been trained under this program).

How much money was expended on this program in the last fiscal year:

- FY08-09, \$34,020,732 was expended. (Since the inception of the program in FY98-99, \$259,824,488 has been expended).

Measure used to determine success:

- FY06-07, FY07-08 and FY08-09, the performance measure for IWTP was achievement of a customer satisfaction rating of 75% and an average percentage increase in earnings of employees from whom a wage gain is a program outcome of 10%.

Level of success during each of the last three years:

- For 06-07, the average customer satisfaction rating was 89.3%, the average wage increase was 17%.
- For 07-08 the average customer satisfaction rating was 92.3% and the average wage increase was 15%.
- For 08-09, the average customer satisfaction rating was 92.4% and the average wage increase was 14%.

The societal issue addressed by this program is getting *better, remaining static, or deteriorating*:

The societal issue of workforce training is getting better due to a focus by the Governor on the specific issue of workforce development and the alignment of postsecondary and vocational training with the specific skills needed for those jobs that are in greatest demand in the state now and in the future. IWTP is contributing to this improvement by providing customized training determined by employers to target the specific skills needed by their current employees. Louisiana workers are realizing pay increases due to training received through IWTP, and new jobs are being created as a result of trained employees being promoted and having their positions backfilled by employers. Over the last three program years, the average wage increase for those IWTP-trained employees for whom a wage gain was a contract objective is 15.6%; 6,250 jobs were created as a result of IWTP training and 72,881 jobs were retained as result of training received under IWTP in that same time period.

Foreign Labor

Outcome addressed by this program:

- To permit temporary employment (H-2B) for foreign non-agricultural workers to work in the U.S. for the period of need up to one year
- To permit temporary agriculture employment (H-2A) for foreign agricultural workers to work in the U.S. on a seasonal or temporary basis for less than one year

How many members of the public are directly involved in or impacted by this program:

- H-2A: Over 300 Farmers (Crawfish, rice, livestock, citrus, corn, nursery crop, soybeans, strawberries, vegetable, pecans), along with their employee are impacted annually
- H-2B: Over 500 Employers along with their employee are impacted annually

How much money was expended on this program in the last fiscal year:

- \$161,671 (100% federal dollars)

Measure used to determine success:

- Employer participation

Level of success during each of the last three years

- As part of our service to clients, we have assisted with completion of paperwork, inspections of houses that employers use for workers to live in while working, and obtaining the necessary documents (H-2B and H-2A) for them to get their workers

The societal issue addressed by this program is getting *better, remaining static, or deteriorating*:

- Getting better

Apprenticeship

Outcome addressed by this program:

- Protection of the best interests of apprentices registered in Louisiana

How many members of the public are directly involved in or impacted by this program:

- Approximately 15,000 (This includes registered apprentices, apprenticeship program sponsors and their employees, employers who hire the apprentices, and journey workers who train apprentices on-the-job)

How much money was expended on this program in the last fiscal year:

- There is no specific budget line item for the program, however it is estimated that \$150,000 was spent

Measure used to determine success:

- Number of new registered apprentice programs developed in a year
- Number of registered apprentices
- Overall level of satisfaction of program sponsors
- Number of program compliance reviews that are performed in a given year

Level of success during each of the last three years:

- FY06-07 and FY07-08 were fairly stagnant (Integration of apprenticeship with other workforce development programs had not commenced)
- FY08-09 saw a dramatic increase in integration efforts and growth.
 - Seven new apprenticeship programs were added for a total of 51
 - Apprenticeship was moved directly into Office of Workforce Development
 - Loss of statewide field staff (Reduced from 10 to 2, the Director and an assistant)

The societal issue addressed by this program is getting *better, remaining static, or deteriorating*:

- Getting better.

Labor Programs

Outcome addressed by this program:

- Child Labor Program: Compliance with statutes regulating conditions under which minors may be employed. See Revised Statutes, Title 23, Chapter 3

- Med Pay Program: Compliance with statutes prohibiting the costs of certain items (i.e. physicals, drug tests, fingerprinting, etc.) from being passed on to employees/applicants. See Revised Statutes, Title 23:897
- Private Employment Service Program: Compliance with statutes regulating those companies that charge applicants a fee to procure employment. Also addresses license requirements. See Revised Statutes, Title 23:101

How many members of the public are directly involved in or impacted by this program:

- Child Labor Program: Approximately 60,000 minors per year and any and all employers that hire employees under 18 years of age
- Med Pay Program: unknown
- Private Employment Service Program: Approximately 20 employers and unknown number of employees

How much money was expended on this program in the last fiscal year?

- Child Labor Program: \$900,000
- Med Pay Program: \$100,000
- Private Employment Service Program: \$150,000

Measure used to determine success:

- Child Labor Program: Lack of injuries and/or fatalities of minors in the workplace and decrease in number of violations committed by employers employing minors under 18 years of age.
- Med Pay Program: Full reimbursement of those affected employees/applicants and a decrease in the number of infractions committed by the employing community.
- Private Employment Service Program: Decrease in number of overcharges to employees

Level of success during each of the last three years:

- Child Labor Program: Zero fatalities and substantial decrease in number of violations cited.
- Med Pay Program: FY 06-07, 450 persons reimbursed for total \$28,818. FY 07-08, 73 persons reimbursed for total \$7568. FY 08-09, 856 persons reimbursed for total of \$24,920.
- Private Employment Service Program: Zero instances of overcharging of employees

The societal issue addressed by the program is getting better, remaining static, or deteriorating.

- Child Labor Program: Getting better
- Med Pay Program: Remaining static
- Private Employment Service Program: Getting better

Work Opportunity Tax Credit Program

Outcome addressed by this program:

- Federally-funded tax incentive initiative designed to help move people into gainful employment and obtain on-the-job experience

How many members of the public are directly involved in or impacted by this program:

- Over 15,000 individuals along with their employers annually

How much money was expended on this program in the last fiscal year:

- \$395,674 (Federal dollars)

Measure used to determine success:

- Employer participation

Level of success during each of the last three years:

- An estimated \$108 million in potential tax credits issued within the last three years at an average of \$36 million per year

The societal issue addressed by the program is getting better, remaining static, or deteriorating.

- Getting better

Unemployment Insurance Benefits

Outcome addressed by this program:

- The timely payment of unemployment insurance benefits and the prompt collection of the taxes that support the program

How many members of the public are directly involved in or impacted by this program:

- 269,000 per year

How much money was expended on this program in the last fiscal year:

- \$30,000,000

Measure used to determine success: New Measures for 2010 (designed to give a more accurate description of customer satisfaction)

- First Payment Timeliness for Claims With No Issues: Paying 95% of intrastate claims, with no issues, within 7 days of the end of the first payable week.
- First Payment Timeliness for Claims With Issues: Paying 80% of the intrastate claims, with issues, within 28 days of end of the first payable week.
- Liability/Rate Determinations: Issuing 83% of the account numbers and rates, requested by employers, within 180 days of their liability date.

Level of success during each of the last three years: Measures for Fiscal Years 2009, 2008, and 2007 (as prescribed by the U. S. Department of Labor as Acceptable Levels of Performance)

- First Payment Timeliness for Intrastate claims: Paying 89% of all Intrastate claims within 14 days of the first compensable week.
Performance 2009: 64.3%
Performance 2008: 71.0%
Performance 2007: 65.1%
- First Payment Timeliness for Interstate claims: Paying 70% of all Interstate claims within 14 days of the first compensable week.
Performance 2009: 76.1%
Performance 2008: 59.4%
Performance 2007: 38.1%
- Employer Account Numbers: To issue 83% of liable employers account numbers within 180 days.
Performance 2009: 89.0%
Performance 2008: 90.0%
Performance 2007: 90.0%

The societal issue addressed by this program is getting *better, remaining static, or deteriorating*:

- The number of claims filed and the amount of benefits paid are directly related to the state and national economic conditions.

Office of Workers Compensation (OWC)

Outcome addressed by this program:

- Establish standards of payment and utilization
- Hear and resolve workers' compensation disputes
- Encourage the employment of workers with a permanent condition by reimbursing the employer when such worker sustains a subsequent job related injury

- Educate employers and employees to adapt a comprehensive safety and health program

How many members of the public are directly involved in or impacted by this program:

- Every employer and employee operating in the State of Louisiana is impacted by the Office of Workers Compensation due to the requirement that every employer maintain workers compensation coverage for its employees.
- Each year there are between 15,000 and 18,000 undisputed workers compensation claims filed.
- There are between 6,000 and 8,000 disputed claims for compensation filed each year in the OWC Hearing Division.
- Approximately 1,000 Second Injury Fund claims are filed each year by employers or insurers.
- The Workplace Safety Section directly contacts between 600 and 1,000 employers each year to provide training and expertise in the development of safe work environments, which affects between 30,000 and 40,000 employees each year.

How much money was expended on this program in the last fiscal year:

- \$13,244,045 – Workers' Compensation Administration
- \$46,129,990 – Second Injury Board

Measure used to determine success:

- OWC measures success by tracking the efficiency of the delivery of its services (average time to deliver services) as well as the quantity of services provided by its various units.

Level of success during each of the last three years:

- Workplace Safety Division: Numbers have gradually decreased over the last three years, dropping from 967 employers contact in 2006, to 773 in 2007 and 286 in 2008. This was largely due to a staffing shortage in that division. Thus far in 2009, with the staffing issues addressed, 503 employers have already been contacted.
- Second Injury Fund: Continues to receive an average of 963 claims each year. 891 claims were closed in 2006, 951 in 2007 and 1,192 in 2008. The reimbursements made each year have continued to increase (\$38,540,285 in 2006; \$41,549,518 in 2007; and, \$42,181,211 in 2008) as have the administrative costs associated with operating the fund (\$809,349 in 2006; \$862,811 in 2007; and, \$1,081,014 in 2008).
- Hearings Division: Continues to receive more disputed claims for compensation each year (5,671 in 2006; 6,712 in 2007 and 7,691 in 2008), and the average time to resolve those claims has continued to increase (355 days as of January, 2008). However, as of May of 2009, the Hearings Division had reduced that average to 292 days.
- OWC Fraud Division: Initiated 2,119 investigations in 2006, 1,833 in 2007 and 1,987 in 2008. There were 7 referrals for prosecution in 2006, 8 in 2007 and 4 in 2008. Thus far in 2009, the Fraud Division has initiated approximately 1,800 investigations and has referred 19 cases for prosecution.

The societal issue addressed by this program is getting *better, remaining static, or deteriorating*:

- Better. Workers Compensation premiums have decreased each of the past 3 years while the quantity and quality of services provided are increasing. Further, with passage of Act 254 (SB 303) in 2009 Legislative session, mandating the adoption of evidence based medical treatment guidelines, it is expected that the delivery of medical benefits will become more efficient and result in a better opportunity to return injured workers to gainful employment in a more expedited fashion.