



Louisiana Senate Finance Committee



FY22 Recommended Budget

14 – Louisiana Workforce Commission

March 2021

*Sen. Patrick Page Cortez, President
Sen. Bodi White, Chairman*



FY22 Recommended Budget

Schedule 14 — Workforce Commission Agencies

Departmental mission — “The mission of the Louisiana Workforce Commission (LWC) is utilizing state, federal, and private resources to provide the training, employment, assistance, and regulatory services to increase employment, and to promote workplace safety and expanded employment opportunities in the State of Louisiana in a climate favorable to business, workers, and job seekers.”



14-474
Workforce Support and
Training





FY22 Recommended Budget

Schedule 14 — Workforce Commission Agencies

Executive Director

- *provides leadership and management of all departmental programs, communicates departmental direction, ensures the quality of services provided.*

Management and Finance

- *develops, promotes and implements the policies and mandates, and provides technical and administrative support necessary to fulfill the vision and mission of the Louisiana Workforce Commission in serving its customers.*

Information Systems

- *provides timely and accurate labor market information, and provides information technology solutions to the Louisiana Workforce Commission, its customers and stakeholders.*

Workforce Development

- *provides employment, training services, supportive services, including vocational rehabilitation and other employment related services, to businesses and job seekers; administers and enforces state worker protection statutes and regulations.*



FY22 Recommended Budget

Schedule 14 — Workforce Commission Agencies

Unemployment Insurance Administration

- *administers the employer taxes and benefits associated with the Unemployment Insurance Trust Fund (UITF).*

Workers Compensation Administration

- *establishes standards of payment, utilizes and reviews injured worker claims, and receives, processes, hears and resolves legal actions; educates workforce in adopting comprehensive safety and health policies, practices and procedures; collects fees.*

2nd Injury Board

- *provides timely and accurate labor market information, and provides information technology solutions to the Louisiana Workforce Commission, its customers and stakeholders.*

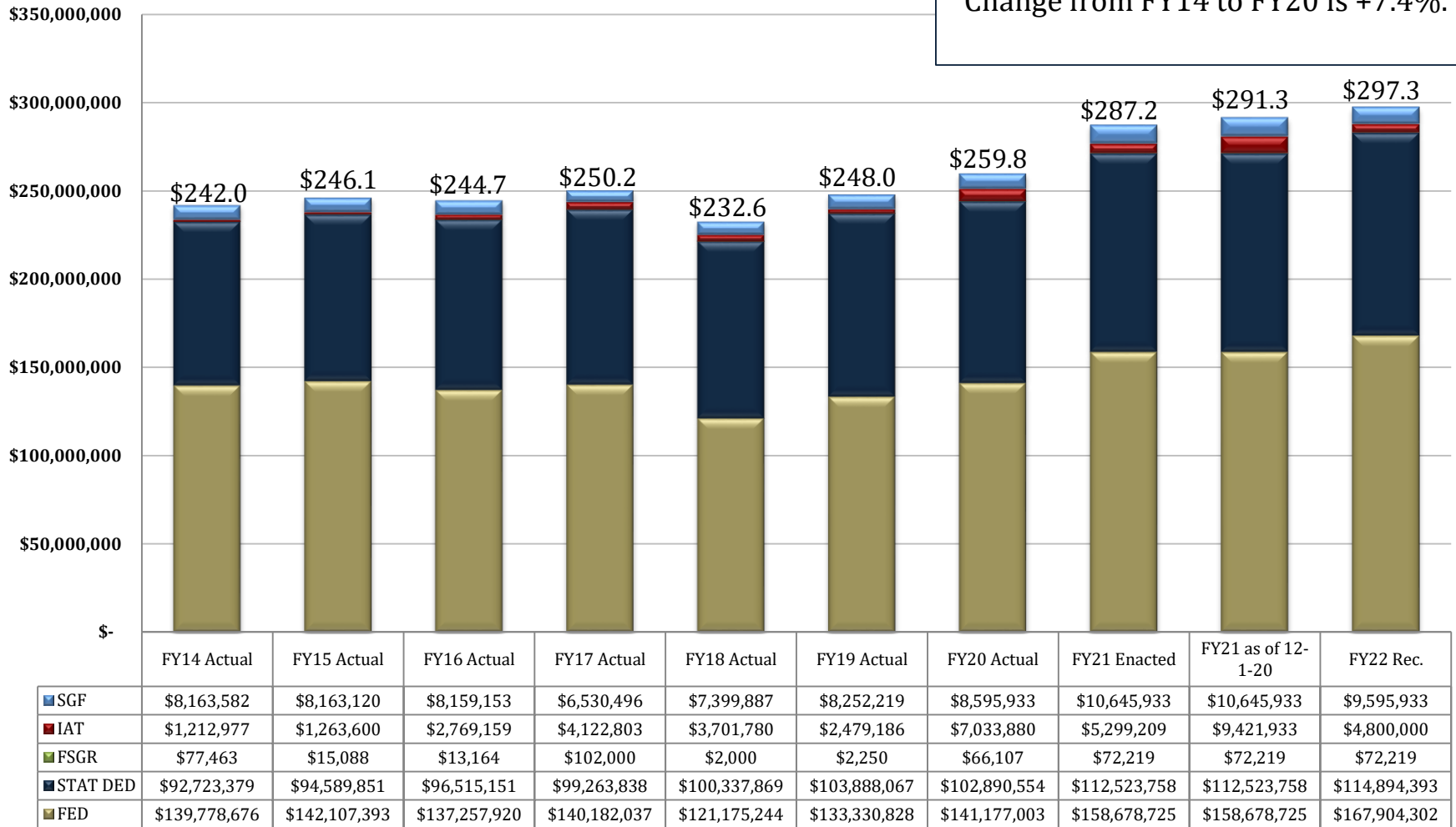


Louisiana Workforce Commission

Changes in Funding since FY14

**Total Budget by Fiscal Year and Means of Finance
(in \$ millions)**

Change from FY14 to FY22 is +22.9%.
Change from FY14 to FY20 is +7.4%.





Significant Budget Adjustments Recommended for FY22

Statewide Adjustments to LWC's Budget

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$10,645,933	\$9,421,933	\$72,219	\$112,523,758	\$158,678,725	\$291,342,568	910	FY21 Existing Operating Budget as of 12-1-20
\$0	\$0	\$0	\$225,264	\$1,300,403	\$1,525,667	0	Market Rate Classified
\$0	\$0	\$0	\$0	\$4,989	\$4,989	0	Civil Service Training Series Adjustment
\$0	\$0	\$0	(\$12,715)	(\$247,452)	(\$260,167)	0	Related Benefits Base Adjustment
\$0	\$0	\$0	(\$55,514)	(\$208,174)	(\$263,688)	0	Retirement Rate Adjustment
\$0	\$0	\$0	\$38,207	\$149,149	\$187,356	0	Group Insurance Rate Adjustment for Active Employees
\$0	\$0	\$0	\$31,093	\$241,984	\$273,077	0	Group Insurance Rate Adjustment for Retirees
\$0	\$0	\$0	\$133,215	\$278,025	\$411,240	0	Salary Base Adjustment
\$0	\$0	\$0	(\$295,504)	(\$1,162,460)	(\$1,457,964)	0	Attrition Adjustment
\$0	\$0	\$0	(\$1,272)	(\$3,143)	(\$4,415)	0	Risk Management
\$0	\$0	\$0	\$33,228	\$0	\$33,228	0	Legislative Auditor Fees
\$0	\$0	\$0	\$3,392	\$1,949	\$5,341	0	Rent in State-owned Buildings
\$0	\$0	\$0	\$560	\$7,698	\$8,258	0	Maintenance in State-owned Buildings
\$0	\$0	\$0	\$0	\$37	\$37	0	Capitol Police
\$0	\$0	\$0	\$224	\$552	\$776	0	UPS Fees
\$0	\$0	\$0	(\$1,072)	(\$2,652)	(\$3,724)	0	Civil Service Fees
\$0	\$0	\$0	\$16,178	\$0	\$16,178	0	State Treasury Fees
\$0	\$0	\$0	\$238,945	\$1,373,562	\$1,612,507	0	Office of Technology Services (OTS)
\$0	\$0	\$0	(\$3,594)	(\$8,890)	(\$12,484)	0	Office of State Procurement
\$0	\$0	\$0	\$350,635	\$1,725,577	\$2,076,212	0	Total Statewide Adjustments
\$0	\$0	\$0	\$0	\$0	\$0	0	Total Technical Adjustments
(\$1,050,000)	(\$4,522,724)	\$0	\$0	\$0	(\$5,572,724)	0	Total Workload Adjustments
\$0	(\$99,209)	\$0	\$2,020,000	\$7,500,000	\$9,420,791	0	Total Non-recurring Other Adjustments
\$9,595,933	\$4,800,000	\$72,219	\$114,894,393	\$167,904,302	\$297,266,847	910	Total FY22 Recommended Budget
(\$1,050,000)	(\$4,621,933)	\$0	\$2,370,635	\$9,225,577	\$5,924,279	0	Total Adjustments (Statewide and Agency-specific)



Workforce Commission

Non-Statewide Adjustments for FY22

Non-Recurring Other Adjustments

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
(\$1,050,000)	\$0	\$0	\$0	\$0	(\$1,050,000)	0	OFFICE OF WORKFORCE DEVELOPMENT -Non-recur one-time funding.
\$0	(\$400,000)	\$0	\$0	\$0	(\$400,000)	0	OFFICE OF WORKFORCE DEVELOPMENT -Non-recurs funding for the Louisiana Job Employment Training (LajET) program due to the Department of Children and Family Services (DCFS) administering LajET services.
\$0	(\$4,122,724)	\$0	\$0	\$0	(\$4,122,724)	0	MANAGEMENT & FINANCE -Non-recurs funding from the Governor's Office of Homeland Security & Emergency Preparedness (GOHSEP) for the mass feeding of individuals displaced from their homes in affected areas due to Hurricane Laura (\$3,575,000) and Delta (\$547,724).
(\$1,050,000)	(\$4,522,724)	\$0	\$0	\$0	(\$5,572,724)	\$0	Total Non-Recurring Other Adjustments

Other Adjustments

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$0	\$0	\$0	\$0	\$7,500,000	\$7,500,000	0	UNEMPLOYMENT BENEFITS -Adjustment for the Emergency Unemployment Insurance Administrative and Above Base Allocation funding received for increased expenses due to COVID-19. These monies are used to pay for private call centers, fraud detection/prevention, and increased technology expenses related to the Helping Individuals Reach Employment (HIRE) system.
\$0	\$0	\$0	\$2,020,000	\$0	\$2,020,000	0	UNEMPLOYMENT BENEFITS -Funding for anticipated interest payment due to Federal Title XII advances for the Louisiana Unemployment Insurance (UI) Trust Fund located at the United States Treasury utilizing Statutory Dedications out of the Overcollections Fund.
\$0	(\$99,209)	\$0	\$0	\$0	(\$99,209)	0	OFFICE OF WORKFORCE DEVELOPMENT -Reducing excess budget authority from the Department of Children and Family Services (DCFS) in the Office of Workforce Development Program.
\$0	(\$99,209)	\$0	\$2,020,000	\$7,500,000	\$9,420,791	0	Total Other Adjustments

Technical Adjustments

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$0	\$0	\$0	(\$10,000)	\$0	(\$10,000)	0	2ND INJURY BD -Transfers Statutory Dedications of the Workers Compensation Second Injury Fund from the Office of the 2nd Injury Board Program to the Office of Workforce Development Program for Louisiana Rehabilitation Services (LRS) activities. Per Louisiana Revised Statute (R.S. 23:1377G), the Second Injury Board may approve an annual lump-sum amount up to 1% of the board's annual budget for LRS activities. These activities assist potential employers and qualified employees with services including work evaluation, job readiness services, assessment for assistive technology, workstation modification, reemployment, or retention.
\$0	\$0	\$0	\$10,000	\$0	\$10,000	0	OFFICE OF WORKFORCE DEVELOPMENT -Transfers Statutory Dedications of the Workers Compensation Second Injury Fund from the Office of the 2nd Injury Board Program to the Office of Workforce Development Program for Louisiana Rehabilitation Services (LRS) activities. Per Louisiana Revised Statute (R.S. 23:1377G), the Second Injury Board may approve an annual lump-sum amount up to 1% of the board's annual budget for LRS activities. These activities assist potential employers and qualified employees with services including work evaluation, job readiness services, assessment for assistive technology, workstation modification, reemployment, or retention.
\$0	\$0	\$0	\$0	\$0	\$0	0	Total Technical Adjustments

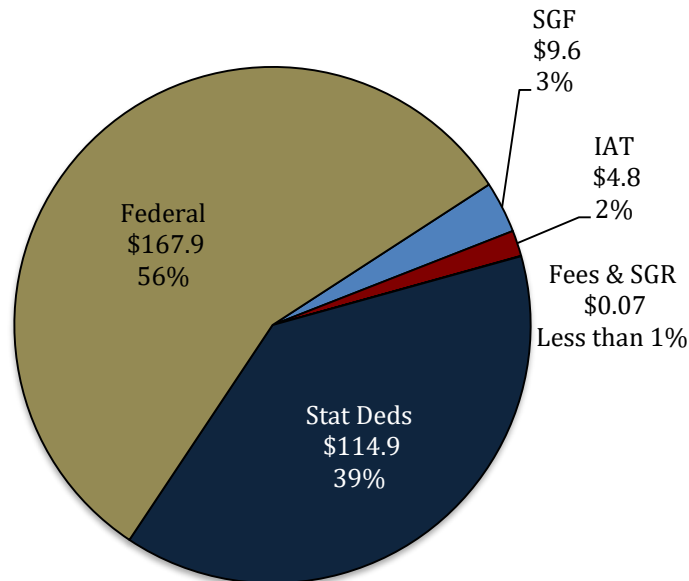


Workforce Commission

FY22 Recommended Means of Finance

Total Funding	FY20 Actual	FY21 Enacted	FY21 EOB as of 12-1-20	FY22 Recommended	Difference FY22 Recommended vs. FY21 EOB as of 12-1-20
General Fund	\$ 8,595,933	\$ 10,645,933	\$ 10,645,933	\$ 9,595,933	(\$1,050,000)
IAT	\$ 7,033,880	\$ 5,299,209	\$ 9,421,933	\$ 4,800,000	(\$4,621,933)
Fees and Self-Generated	\$ 66,107	\$ 72,219	\$ 72,219	\$ 72,219	\$0
Statutory Dedications	\$ 102,890,554	\$ 112,523,758	\$ 112,523,758	\$ 114,894,393	\$2,370,635
Federal	\$ 141,177,003	\$ 158,678,725	\$ 158,678,725	\$ 167,904,302	\$9,225,577
TOTAL	\$ 259,763,477	\$ 287,219,844	\$ 291,342,568	\$ 297,266,847	\$5,924,279
Total Positions	19	10	10	10	-

**FY22 Recommended
Total Means of Finance
(In Millions)**



Total \$297.3 m.

Non-SGF funding sources for the Louisiana Workforce Commission include Interagency Transfers, Fees and Self-generated Revenues, Statutory Dedications, and Federal Funds.

Interagency Transfers are derived from DCFS for the Louisiana Job Employment and Training Program (LaJET) and the Strategies to Empower People Program (STEP).

Statutory Dedications, which make up thirty-nine percent of the department's budget, are derived from:

- Workers' Compensation 2nd Injury Fund
- Incumbent Worker Training Account
- Office of Workers' Compensation Administration Fund
- Employment Security Administration Account
- Penalty and Interest Account
- Blind Vendors Trust Fund

Federal Funds, which make up fifty-seven percent of the department's funding, are derived from Employment Security Grants, Employment Security Administration Account, Workforce Innovations and Opportunity Act (WIOA), Federal Reed Act, and the Employment and Training Grants.



Workforce Commission Dedicated Funds FY20, FY21, and FY22

Dedicated Funds	Source of Funding	FY20 Actual	FY21 EOB	FY22 Recommended
Blind Vendors Trust Fund	Fees, Monies collected from certain vending machines located on state, federal, and other property pursuant to the Randolph-Sheppard Act	\$367,281	\$547,397	\$540,838
Employment Security Administration Account	Insurance taxes	\$3,978,349	\$4,000,000	\$4,000,000
Incumbent Worker Training Account	Insurance taxes	\$19,188,900	\$25,821,283	\$25,765,106
Office of Workers' Compensation Admin. Fund	Insurance taxes	\$14,468,832	\$17,042,169	\$17,329,190
Overcollections Fund	No defined source	\$0	\$0	\$2,020,000
Penalty and Interest Account	Interest, Fines, and Penalties collected from employers.	\$4,605,607	\$4,516,158	\$4,500,134
Workers' Compensation Second Injury Fund	Insurance taxes	\$60,281,585	\$60,596,751	\$60,739,125
TOTALS		\$102,890,554	\$112,523,758	\$114,894,393



Louisiana Workforce Commission

FY21 Enacted vs. FY22 Recommended Means of Finance by Agency

FY21 Enacted Total MOF by Agency	SGF	IAT	FSGR	Stat Deds	Federal	Total
Office of the Secretary	\$0	\$0	\$0	\$2,244,239	\$2,253,409	\$4,497,648
Management and Finance	\$0	\$0	\$0	\$2,177,518	\$17,017,158	\$19,194,676
Information Systems	\$0	\$0	\$0	\$1,713,985	\$13,177,524	\$14,891,509
Workforce Development	\$10,645,933	\$5,299,209	\$72,219	\$28,999,927	\$102,780,619	\$147,797,907
Unemployment Insurance Admin.	\$0	\$0	\$0	\$4,348,874	\$22,334,849	\$26,683,723
Workers Compensation Admin.	\$0	\$0	\$0	\$13,576,975	\$1,115,166	\$14,692,141
2nd Injury Board	\$0	\$0	\$0	\$59,462,240	\$0	\$59,462,240
TOTALS	\$10,645,933	\$5,299,209	\$72,219	\$112,523,758	\$158,678,725	\$287,219,844
FY22 Recommended Total MOF by Agency	SGF	IAT	FSGR	Stat Deds	Federal	Total
Office of the Secretary	\$0	\$0	\$0	\$2,264,374	\$2,259,196	\$4,523,570
Management and Finance	\$0	\$0	\$0	\$2,224,551	\$17,260,791	\$19,485,342
Information Systems	\$0	\$0	\$0	\$1,968,253	\$14,664,446	\$16,632,699
Workforce Development	\$9,595,933	\$4,800,000	\$72,219	\$28,888,451	\$102,302,538	\$145,659,141
Unemployment Insurance Admin.	\$0	\$0	\$0	\$6,368,874	\$30,292,277	\$36,661,151
Workers Compensation Admin.	\$0	\$0	\$0	\$13,673,532	\$1,125,054	\$14,798,586
2nd Injury Board	\$0	\$0	\$0	\$59,506,358	\$0	\$59,506,358
TOTALS	\$9,595,933	\$4,800,000	\$72,219	\$114,894,393	\$167,904,302	\$297,266,847
<i>Difference FY21 Enacted to FY22 Recommended</i>	<i>(\$1,050,000)</i>	<i>(\$499,209)</i>	<i>\$0</i>	<i>\$2,370,635</i>	<i>\$9,225,577</i>	<i>\$10,047,003</i>

The FY22 Recommended Budget for LWC is an increase of \$10 million over FY21 Enacted. This equates to a 3.5 percent increase.

The Unemployment Insurance Administration showed the largest increase at \$10 million followed by the Information Systems Program at \$1.7 million. The largest decrease was in the Workforce Development Program at **(\$2.1 million)**.

Federal Funds showed an increase of \$9.2 million and Statutory Dedications increased by \$2.4 million. State General Fund decreased in funding by **(\$1.1 million)** and Interagency Transfers decreased by **(\$499,209)**. Fees and Self-generated Revenues saw no change from FY21 Enacted to FY22 Recommended.



LWC Categorical Expenditures FY20, FY21, and FY22

Expenditure Category	FY20 Actual	FY21 EOB (as of 12-01-20)	FY22		Difference FY21 to FY22
			Recommended Budget	Category as Percent of Total	
Personal Services:	\$76,104,777	\$85,418,760	\$85,839,270	29%	\$420,510
Salaries	\$43,365,053	\$48,242,732	\$48,805,141	16%	\$562,409
Other Compensation	\$3,061,104	\$2,791,339	\$2,791,339	1%	\$0
Related Benefits	\$29,678,620	\$34,384,689	\$34,242,790	12%	(\$141,899)
Operating Expenses:	\$9,308,264	\$16,046,612	\$13,119,188	4%	(\$2,927,424)
Travel	\$646,673	\$940,165	\$940,165	0%	\$0
Operating Services	\$8,235,965	\$14,224,713	\$11,297,289	4%	(\$2,927,424)
Supplies	\$425,626	\$881,734	\$881,734	0%	\$0
Professional Services	\$2,558,703	\$4,265,410	\$4,265,410	1%	\$0
Other Charges:	\$171,791,733	\$185,611,786	\$194,042,979	65%	\$8,431,193
Other Charges	\$154,523,058	\$173,226,909	\$177,074,976	60%	\$3,848,067
Debt Service	\$0	\$0	\$0	0%	\$0
Interagency Transfers	\$17,268,675	\$12,384,877	\$16,968,003	6%	\$4,583,126
Acquisitions & Major Repairs:	\$0	\$0	\$0	0%	\$0
Acquisitions	\$0	\$0	\$0	0%	\$0
Major Repairs	\$0	\$0	\$0	0%	\$0
Total Expenditures	\$259,763,477	\$291,342,568	\$297,266,847	100%	\$5,924,279

NOTE: Other Charges include pass through grants to local agencies for workforce training and education, Grants for local governments to assist clients in acquiring job skills in the Incumbent Worker Training Program, Worker Protection Services, Vocational Rehabilitation - service provided per Section 110 of the Vocational Rehabilitation Act, Reimbursements to insurance carriers for cost of worker's compensation benefits, when an eligible worker sustains a subsequent job related injury, Jobs for American Graduates (JAG) administration and grants to local agencies.



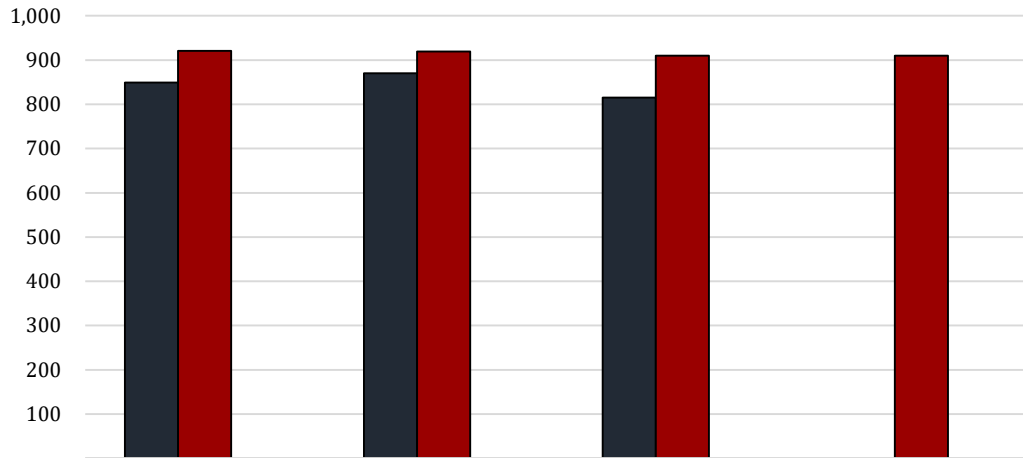
Louisiana Workforce Commission

FTEs, Authorized, and Other Charges Positions and Related Employment Information

Number and Types of Positions

This Department Represents 2.7% Percent of Total State Positions of 34,081.

FY21 number of funded, but not filled, positions as of March 1 = 122



■ Total FTEs (1st July Report)	849	870	815	-
■ Authorized Positions	921	919	910	910
■ Other Charges Positions	-	-	-	-

* Remaining Benefits include employer contribution to authorized positions' retirement, health, Medicare, FICA, Emoluments etc. The authorized positions include authorized T.O. positions and authorized other charges positions, both filled and vacant.

Personal Services	2019 Actual	2020 Actual	2021 Enacted	2022 Recommended
Salaries	\$40,158,683	\$43,365,053	\$48,242,732	\$48,805,141
Other Compensation	\$3,018,729	\$3,061,104	\$2,791,339	\$2,791,339
Related Benefits	\$28,375,939	\$29,678,620	\$34,384,689	\$34,242,790
Total Personal Services	\$71,553,351	\$76,104,777	\$85,418,760	\$85,839,270

Examples of Other Compensation include pay for WAE employees, part-time employees, student workers, etc.

Other Charges Benefits
\$0

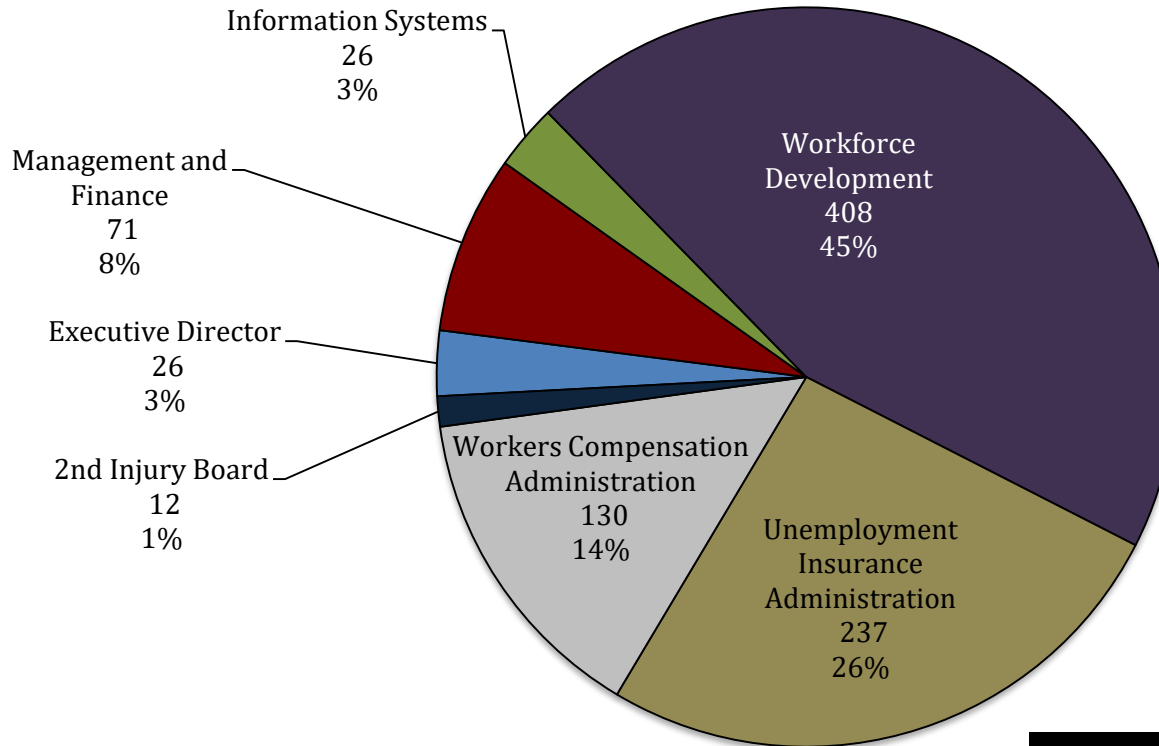
Related Benefits FY22 Recommended	Total Funding	%
Total Related Benefits	\$34,242,790	
UAL payments	\$14,742,766	43.1%
Retiree Health Benefits	\$9,102,550	
Remaining Benefits*	\$10,397,474	
Means of Finance	General Fund = 0%	Other = 100%

Average Salary = \$53,632



Louisiana Workforce Commission

FY22 Recommended Total Authorized Positions by Agency



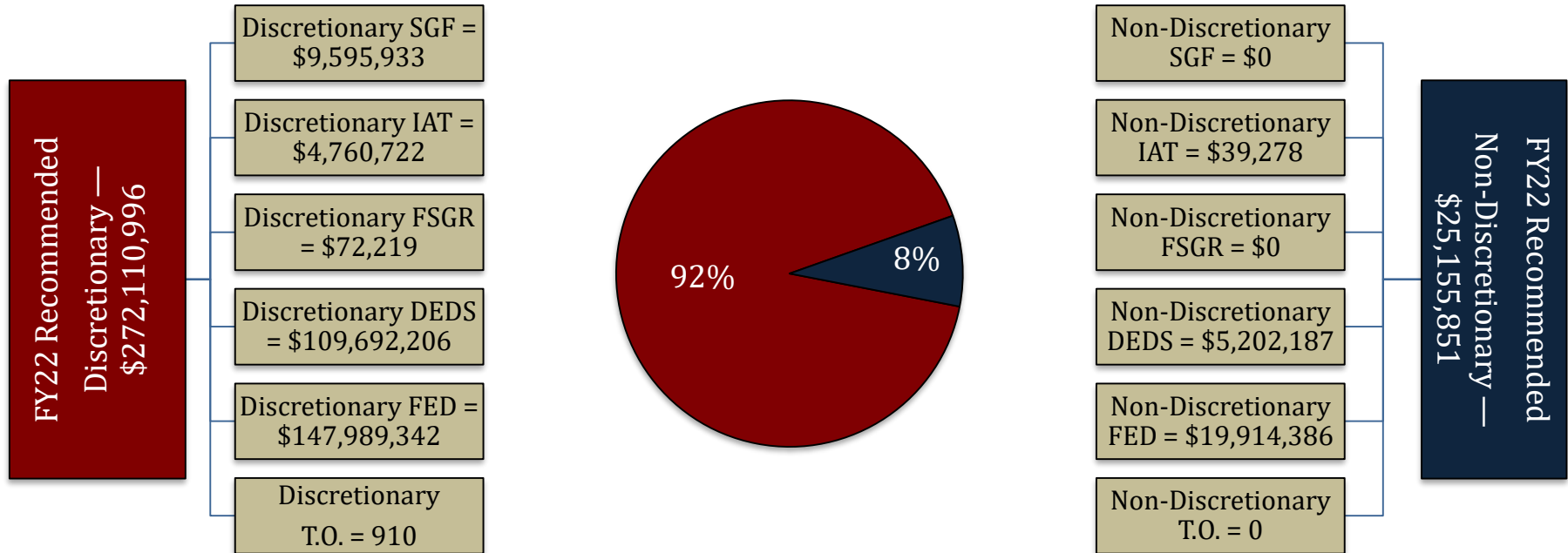
Total Authorized Positions
910

Workforce Support and Training	
Executive Director	26
Management and Finance	71
Information Systems	26
Workforce Development	408
Unemployment Insurance Administration	237
Workers Compensation Administration	130
2nd Injury Board	12



Louisiana Workforce Commission

FY22 Discretionary/Non-Discretionary Comparison



Total Discretionary Funding by Office		
Workforce Support and Training	\$ 272,110,996	100%
Total Discretionary	\$ 272,110,996	100%

Total Non-Discretionary Funding by Type		
Required by the Constitution	\$ 14,742,766	59%
Needed for Debt Service	\$ 677,890	3%
Unavoidable Obligations	\$ 9,735,195	39%
Total Non-Discretionary	\$ 25,155,851	100%

Required by the Constitution = State Retirement Systems UAL.

Unavoidable Obligations = Retirees Group Insurance;

Legislative Auditor Fees.

Debt Service = Rent in State Owned Buildings.



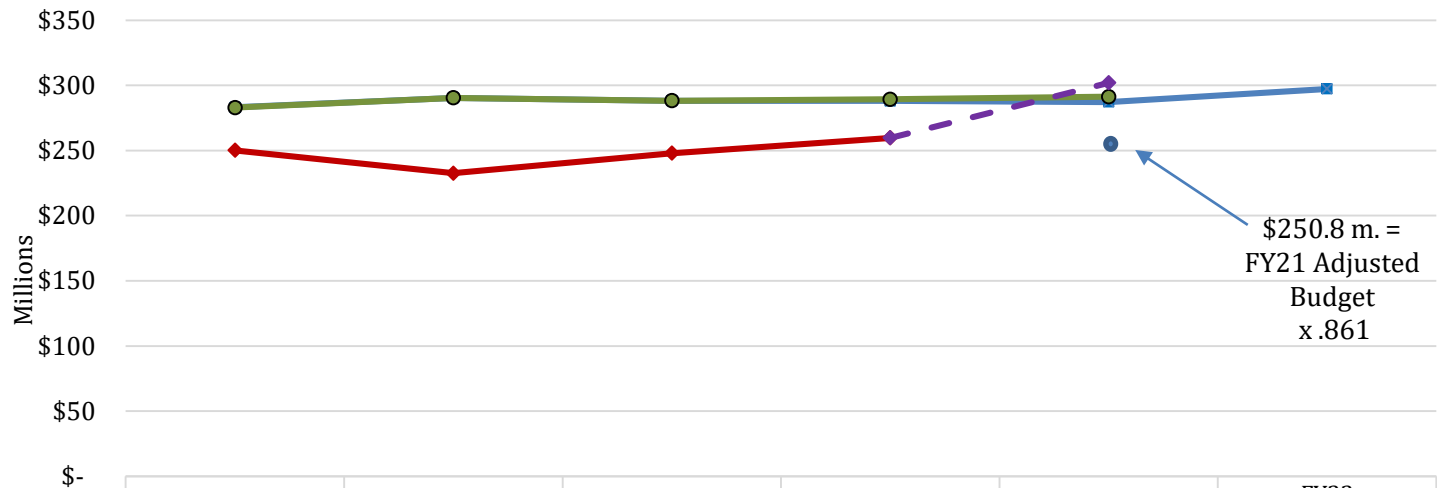
Louisiana Workforce Commission

Enacted & FYE Budget vs. Actual Expenditures FY17 to FY20

FYE Budget = "Fiscal Year End" Budget includes all in-house and regular BA-7s through June 30 of the fiscal year. For FY21, it is as of February.

**FY21 Known
Supplemental Needs:**
\$0

**FY20 General Fund
Reversions:**
\$0



	FY17	FY18	FY19	FY20	FY21 thru Feb.	FY22 Recommended
Enacted Budget	\$283,228,048	\$290,486,168	\$288,273,138	\$288,082,392	\$287,219,844	\$297,266,847
FYE Budget	\$283,015,571	\$290,488,041	\$288,273,138	\$289,326,601	\$291,342,568	
Actual Expenditures	\$250,201,174	\$232,616,780	\$247,952,550	\$259,763,477		
FY21 Expenditure Trend				\$259,763,477	\$301,977,722	

Monthly Budget Activity				
	FY21 Adjusted Budget	FY21 Aggregate Expenditures	Remaining Budget Authority	Percent Expended To Date
Jul-20	\$ 287,219,844	\$ 20,145,059	\$ 267,074,785	7.0%
Aug-20	\$ 287,219,844	\$ 43,415,602	\$ 243,804,242	15.1%
Sep-20	\$ 290,794,844	\$ 68,479,085	\$ 222,315,759	23.5%
Oct-20	\$ 290,794,844	\$ 88,006,650	\$ 202,788,194	30.3%
Nov-20	\$ 291,342,568	\$ 115,392,538	\$ 175,950,030	39.6%
Dec-20	\$ 291,342,568	\$ 144,061,000	\$ 147,281,568	49.4%
Jan-21	\$ 291,342,568	\$ 172,409,307	\$ 118,933,261	59.2%

Monthly Budget Activity				
	FY21 Adjusted Budget	FY21 Aggregate Expenditures	Remaining Budget Authority	Percent Expended To Date
Feb-21	\$ 291,342,568	\$ 192,782,471	\$ 98,560,097	66.2%
<i>(Trend based on average monthly expenditures to date)</i>				
Mar-21	\$ 291,342,568	\$ 220,081,284	\$ 71,261,284	75.5%
Apr-21	\$ 291,342,568	\$ 247,380,097	\$ 43,962,471	84.9%
May-21	\$ 291,342,568	\$ 274,678,910	\$ 16,663,658	94.3%
Jun-21	\$ 291,342,568	\$ 301,977,722	\$ (10,635,154)	103.7%
Historical Year End Average				86.1%



Workforce Commission

Louisiana Rehabilitation Services

Louisiana Rehabilitation Services (LRS) assists citizens with disabilities in their desire to obtain or maintain employment and/or achieve independence in their communities by providing rehabilitation services and working cooperatively with business and other community resources.

In FY22, \$37.5 million is provided for the Louisiana Rehabilitation Services. \$8 million in State General Fund dollars is used as matching funds to draw \$29.5 million in Federal Funds. Federal match is \$3.69 for every \$1.



Unemployment Trust Fund

The state's Unemployment Insurance Trust Fund (UITF) and benefit payments are managed as an off-budget program. (Not part of the agency's operating budget) It is funded by Louisiana employers through a payroll tax and the benefits and tax rates are dependent on the projected balance of the fund.

Due to a rapid depletion from COVID related claims, the UITF balance is currently at \$0 and the state has borrowed about \$155M from the federal government to pay benefits. This includes the **\$85M contribution from the 2020 ES1 Funds Bill and the additional \$8M from the 2020 ES2 Funds Bill.**

Increases in taxes and decreases in benefits that would have resulted from the depletion of the fund have been suspended for one year until FY 22. Without an extension of the suspension, it would require a deposit of \$905 million (\$155M repayment + \$750M for fund balance) by July 2022 to maintain payroll taxes and maximum weekly benefits at current levels during FY 22.

Unemployment Insurance Trust Fund Status

