

Louisiana Workforce Commission

FY 16 Governor's Deficit Reduction Plan

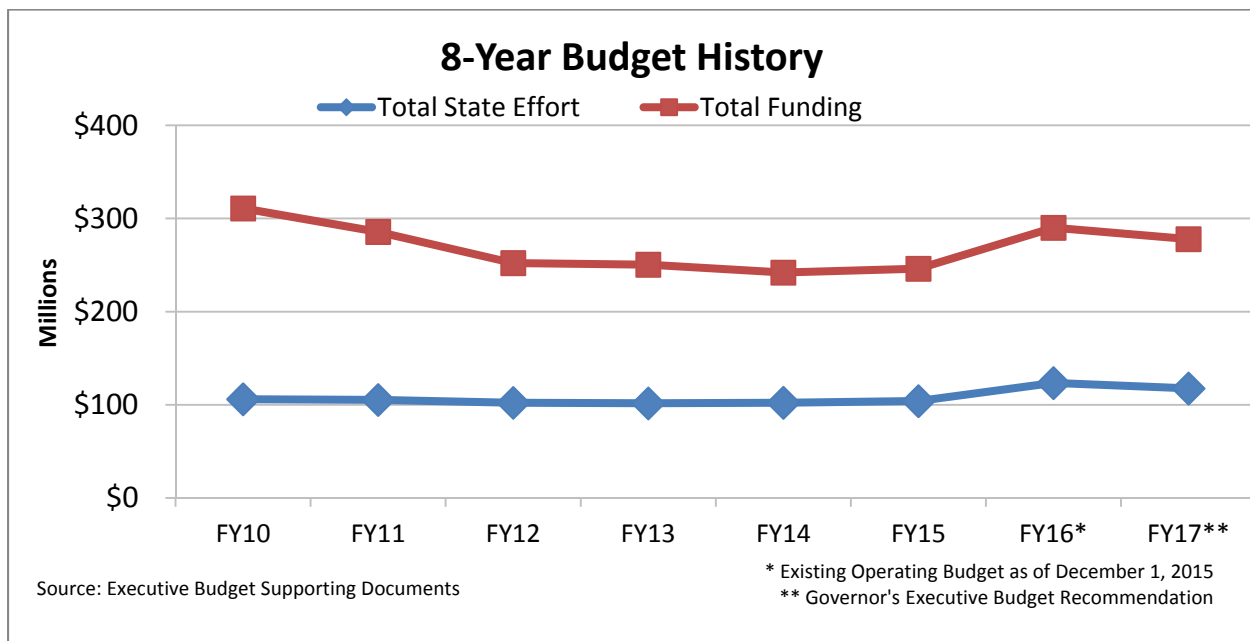
• In the first FY16 Deficit Reduction Plan, the Workforce Commission's budget was reduced by \$1.1 million in Statutory Dedications. These cuts were absorbed by \$821,885 in increased efficiencies and \$152,631 of excess fund balances.

▪ State General Fund will see a reduction of \$3,967 by way of the Governor's Executive Order.

FY 16 Deficit Reduction Plan	Remaining Total Budget	\$77,876,038
	Remaining State Effort	\$28,873,445
	Reduction of State Effort	(\$391,130)
	Reduction Percentage	(1.4%)
Governor's Executive Order	State General Fund	(\$3,967)
Governor & JLCB Approval	State General Fund	\$0
	Const. & Stat. Ded.	\$0
	Total	\$0
Legislative Approval	State General Fund	\$0
	Const. & Stat. Ded.	(\$387,163)
	Self-Gen. Revenues	\$0
	Total	(\$387,163)

▪ These reductions in Constitutional and Statutory Dedications include the Employment Security Administration Account and the Penalty and Interest Account Statutory Dedications in the department. The Employment Security Administration Account helps manage the fluctuation in federal dollars which is dependent on unemployment. The Penalty and Interest Account funds labor assistance programs.

FY 17 Executive Budget



Louisiana Workforce Commission

Means of Finance / Expenditures	Actual Expenditures FY 14-15	EOB FY 15-16 (12/1/15)	Executive Budget Rec FY 16-17	Dollar Change	Percent Change
State General Fund	\$8,163,120	\$8,163,120	\$3,022,891	(\$5,140,229)	(63.0%)
Interagency Transfers	\$1,263,600	\$4,595,368	\$4,595,368	\$0	0.0%
Fees and Self-Gen Rev	\$15,088	\$272,219	\$272,219	\$0	0.0%
Statutory Dedications	\$94,589,851	\$110,374,166	\$109,698,626	(\$675,540)	(0.6%)
Federal Funds	\$142,107,393	\$166,725,300	\$160,319,356	(\$6,405,944)	(3.8%)
TOTAL MOF	\$246,139,052	\$290,130,173	\$277,908,460	(\$12,221,713)	(4.2%)
Salaries	\$43,945,350	\$45,004,715	\$43,601,929	(\$1,402,786)	(3.1%)
Other Compensation	\$3,505,544	\$2,108,675	\$2,108,675	\$0	0.0%
Related Benefits	\$28,524,028	\$29,026,382	\$29,284,108	\$257,726	0.9%
Travel	\$914,427	\$925,165	\$925,165	\$0	0.0%
Operating Services	\$8,900,766	\$13,721,971	\$14,293,856	\$571,885	4.2%
Supplies	\$939,771	\$946,734	\$946,734	\$0	0.0%
Prof Svcs	\$4,112,737	\$13,544,241	\$9,294,241	(\$4,250,000)	(31.4%)
Other Charges	\$154,790,195	\$184,852,290	\$177,453,752	(\$7,398,538)	(4.0%)
Acq/Major Repairs	\$506,234	\$0	\$0	\$0	0.0%
Unallotted	\$0	\$0	\$0	\$0	0.0%
TOTAL EXP	\$246,139,052	\$290,130,173	\$277,908,460	(\$12,221,713)	(4.2%)
Authorized Positions	938	917	917	0	0.0%

- The executive budget recommends a reduction in State General Fund of \$5.1 million. While not reflected in the budget, this could result in a loss of \$18.9 million in Federal Funds due to matching for Louisiana Rehabilitation Services.
- The reduction in Statutory Dedications is made up of a \$1.3 million reduction in the Incumbent Worker Training Account. Statue requires an equal reduction in the fund in ensuing years after a portion of this fund is used in State General Fund - R.S. 23:1553(B)(6). These funds were used in the 2014 Deficit Reduction Plan.
- \$4.2 million in Federal Funds were reduced from the completion of the first phase of the Geographic Solutions Project contract for the Helping Employees Reach Employment (HIRE) system. The unemployment insurance system will be a web based, automated system that provides tax, benefit, and appeal information for claimants, employers, attorneys, and department staff. The project is continuing into phases two and three in implementing this system.
- Other Charges expenditure category includes workforce training and education pass throughs for locals agencies (\$43.9 million), grants for local governments for assisting clients in acquiring job skills with the Incumbent Worker Training Program (\$25 million), Vocational Rehabilitation services (\$34 million), reimbursements to insurance carriers for 2nd injury worker's compensation benefits (\$58 million), Risk Management and Office of Technology Services fees.
- Using an average salary of \$46,899, the \$1.4 million reductions in salaries equates to approximately 30 employees of the department's 917 authorized positions.

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