FY 13-14 Executive Budget Review
LOUISIANA WORKFORCE COMMISSION

House Committee on Appropriations
by House Fiscal Division
March 14, 2013
Agenda

Budget Overview

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Department Structure

Workforce Support and Training

- Office of the Executive Director Program
- Office of Management and Finance Program
- Office of Information Systems Program
- Office of Workforce Development Program
- Office of Unemployment Insurance Administration Program
- Office of Workers Compensation Administration Program
- Office of the 2nd Injury Board Program
### Means of Finance

<table>
<thead>
<tr>
<th>Means of Finance</th>
<th>Actual Expenditures FY 11-12</th>
<th>Existing Operating Budget FY 12-13 (12/1/12)</th>
<th>Executive Budget Recommended FY 13-14</th>
<th>Change from FY12-13 to FY13-14</th>
<th>Percent Change from FY12-13 to FY13-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>State General Fund</td>
<td>$7,859,768</td>
<td>$8,239,768</td>
<td>$8,239,768</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Interagency Transfers</td>
<td>$3,466,229</td>
<td>$4,295,877</td>
<td>$2,222,766</td>
<td>($2,073,111)</td>
<td>-48.3%</td>
</tr>
<tr>
<td>Fees and Self-Gen Rev</td>
<td>$27,000</td>
<td>$69,202</td>
<td>$69,202</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Statutory Dedications</td>
<td>$90,798,348</td>
<td>$100,926,430</td>
<td>$97,225,256</td>
<td>($3,701,174)</td>
<td>-3.7%</td>
</tr>
<tr>
<td>Federal Funds</td>
<td>$150,051,665</td>
<td>$172,868,097</td>
<td>$165,174,992</td>
<td>($7,693,105)</td>
<td>-4.5%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$252,203,010</td>
<td>$286,399,374</td>
<td>$272,931,984</td>
<td>($13,467,390)</td>
<td>-4.7%</td>
</tr>
<tr>
<td>Authorized Positions</td>
<td>1,191</td>
<td>1,155</td>
<td>1,033</td>
<td>(122)</td>
<td>-10.6%</td>
</tr>
</tbody>
</table>
10 Year Budget History

LOUISIANA WORKFORCE COMMISSION
(Total Means of Finance)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Funding Amount (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 03-04</td>
<td>$228</td>
</tr>
<tr>
<td>FY 04-05</td>
<td>$238</td>
</tr>
<tr>
<td>FY 05-06</td>
<td>$582</td>
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<tr>
<td>FY 06-07</td>
<td>$258</td>
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<tr>
<td>FY 07-08</td>
<td>$254</td>
</tr>
<tr>
<td>FY 08-09</td>
<td>$267</td>
</tr>
<tr>
<td>FY 09-10</td>
<td>$311</td>
</tr>
<tr>
<td>FY 10-11</td>
<td>$286</td>
</tr>
<tr>
<td>FY 11-12</td>
<td>$252</td>
</tr>
<tr>
<td>FY 12-13</td>
<td>$286</td>
</tr>
<tr>
<td>FY 13-14**</td>
<td>$273</td>
</tr>
</tbody>
</table>

*Existing Operating Budget as of 12/1/12
**Governor’s Executive Budget Recommendation

Source: Executive Budget Supporting Documents
Major Sources of Revenues FY 13-14

Federal Funds- $165 million

- U.S. Department of Labor
- Department of Education
- Community Service Block Grants
- Reed Act

Statutory Dedications - $97 million

- Incumbent Worker Training Program
- Employment Security Administration
- Penalty and Interest Account
- Workers Compensation Administration
- Second Injury Board Fund
- Blind Vendors Trust Fund
### Expenditure Breakdown

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>FY 11-12 Actual Expenditures</th>
<th>FY 12-13 Existing Operating Budget (12/1/12)</th>
<th>FY 13-14 Executive Budget Recommendation</th>
<th>Change from FY 12-13 to FY 13-14</th>
<th>Percent Change from FY12-13 to FY13-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$51,132,047</td>
<td>$50,962,122</td>
<td>$48,421,097</td>
<td>($2,541,025)</td>
<td>-5.0%</td>
</tr>
<tr>
<td>Other Compensation</td>
<td>$4,084,935</td>
<td>$2,325,243</td>
<td>$2,325,243</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Related Benefits</td>
<td>$26,733,280</td>
<td>$30,579,970</td>
<td>$30,333,952</td>
<td>($246,018)</td>
<td>-0.8%</td>
</tr>
<tr>
<td>Travel</td>
<td>$710,953</td>
<td>$1,259,791</td>
<td>$1,259,791</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Operating Services</td>
<td>$11,456,159</td>
<td>$13,380,384</td>
<td>$14,380,384</td>
<td>$1,000,000</td>
<td>7.5%</td>
</tr>
<tr>
<td>Supplies</td>
<td>$863,966</td>
<td>$1,424,079</td>
<td>$1,424,079</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Prof Srvcs</td>
<td>$4,579,853</td>
<td>$15,839,810</td>
<td>$10,739,810</td>
<td>($5,100,000)</td>
<td>-32.2%</td>
</tr>
<tr>
<td>Other Charges</td>
<td>$150,890,632</td>
<td>$168,330,075</td>
<td>$161,762,221</td>
<td>($6,567,854)</td>
<td>-3.9%</td>
</tr>
<tr>
<td>Acq/Major Repairs</td>
<td>$1,751,185</td>
<td>$2,297,900</td>
<td>$2,285,407</td>
<td>($12,493)</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Unallotted</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>TOTAL EXP</td>
<td>$252,203,010</td>
<td>$286,399,374</td>
<td>$272,931,984</td>
<td>($13,467,390)</td>
<td>-4.7%</td>
</tr>
</tbody>
</table>

**Salaries**
- Reduction in funding attributable to the elimination of 122 vacant positions and attrition

**Operating Services**
- Additional funding to provide for licensing and maintenance of information technology hardware and software

**Professional Services**
- Reduction is due to the non-recurring of the unemployment insurance automation contract

**Other Charges**
- Reduction in funding due the non-recurring of National Emergency Grants and non-recurring carryforwards
6-Year Expenditure History (in millions)

**Personal Services**
- 2008-2009: $59.1
- 2009-2010: $81.6
- 2010-2011: $81.1
- 2011-2012: $82.0
- 2012-2013: $83.9
- 2013-2014: $81.1

**Operating Expenses**
- 2008-2009: $12.7
- 2009-2010: $13.5
- 2010-2011: $13.6
- 2011-2012: $13.0
- 2012-2013: $16.1
- 2013-2014: $17.1

**Professional Services**
- 2008-2009: $8.5
- 2009-2010: $3.4
- 2010-2011: $2.3
- 2011-2012: $4.6
- 2012-2013: $15.8
- 2013-2014: $10.7

**Acquisitions & Major Repairs**
- 2008-2009: $3.1
- 2009-2010: $0.7
- 2010-2011: $0.7
- 2011-2012: $1.8
- 2012-2013: $2.3
- 2013-2014: $2.3
6-Year Expenditure History (in millions)

Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/12
** Governor’s Executive Budget Recommendation

Paul Prejean 225-342-1394
LWC
House Fiscal Division
### Significant Adjustments

1. **Non-recuring funds associated with the mass Feeding Program as a result of Hurricane Isaac.**
   - | SGF  | IAT  | SGR  | SD  | FED  | TOTAL |
   - | $0   | $(1,703,830) | $0   | $0  | $0   | $(1,703,830) |

2. **Reduces funding from the Employment Security Administration Account to reflect the anticipated shortfall in revenue due to funds being allocated from the balance to be used in the Funds Bill.**
   - | SGF  | IAT  | SGR  | SD  | FED  | TOTAL |
   - | $0   | $0   | $(3,890,282) | $0  | $0   | $(3,890,282) |

3. **Reduces funding for statewide activities such as group insurance, employee retirement rates, rent in state owned buildings and risk management. Reduces 122 vacant T.O.**
   - | SGF  | IAT  | SGR  | SD  | FED  | TOTAL |
   - | $0   | $0   | $121,208 | $(2,612,712) | $0   | $(2,491,504) |

4. **Non-recurring carryforwards. These are community service block grants carry forwards that will be non-recurred for FY 13-14.**
   - | SGF  | IAT  | SGR  | SD  | FED  | TOTAL |
   - | $0   | $0   | $0   | $(5,000,000) | $0   | $(5,000,000) |
Discretionary/Nondiscretionary Funding in FY 13-14
Executive Budget

LWC Total Budget
$273 Million

Discretionary
$263.7 M
96.6%

Nondiscretionary
$9.3 M
3.4%

<table>
<thead>
<tr>
<th>Category</th>
<th>Nondiscretionary Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constitutionally Required</td>
<td>$0</td>
</tr>
<tr>
<td>Court Orders</td>
<td>$0</td>
</tr>
<tr>
<td>Debt Service</td>
<td>$0</td>
</tr>
<tr>
<td>Federal Mandate</td>
<td>$0</td>
</tr>
<tr>
<td>Statutory Obligation</td>
<td>$0</td>
</tr>
<tr>
<td>Legislative Discretion</td>
<td>$0</td>
</tr>
<tr>
<td>Unavoidable Obligations</td>
<td>$9,262,366</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$9,262,366</strong></td>
</tr>
</tbody>
</table>

**Unavoidable Obligations:** includes group insurance, and Legislative Auditor fees.
FY13- 14 Salaries and Positions

- $50.7 million for Salaries and Other Compensation
- $30.3 million for Related Benefits
- Total Personnel Services = $81 million, 73% of the Louisiana Workforce Commission total Executive Budget Recommendation (excluding Other Charges)

- 1,033 Authorized Positions (1,015 classified and 18 unclassified)
- 143 full-time non-T.O. positions

- As of 1/30/2013, Louisiana Workforce Commission had 170 vacancies

Source: the Integrated Statewide Information System (ISIS) and the Executive Budget Summary
Salaries and Positions

TOTAL FULL-TIME EQUIVALENT (FTE) POSITIONS

Source: ISIS-HR

Paul Prejean 225-342-1394

LWC

House Fiscal Division
Salaries

CLASSIFIED AVERAGE ANNUAL PAY PER FTE

Source: State Civil Service Report on State Employment

Paul Prejean 225-342-1394  LWC  House Fiscal Division
Salaries

UNCLASSIFIED AVERAGE ANNUAL PAY PER FTE

Source: State Civil Service Report on State Employment

Paul Prejean 225-342-1394  LWC  House Fiscal Division
State Comparisons

Unemployment rate

State Comparisons

Total Weekly Benefit


Paul Prejean 225-342-1394
LWC
House Fiscal Division
### Department Contacts

<table>
<thead>
<tr>
<th>AGENCY</th>
<th>Agency Head</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of the Executive Director</td>
<td>Kurt Eyesink</td>
<td>225-342-3110</td>
</tr>
<tr>
<td>Office of Management and Finance</td>
<td>Renee Roberie</td>
<td>225-342-3110</td>
</tr>
<tr>
<td>Office of Unemployment Insurance</td>
<td>Dayne Freeman</td>
<td>225-342-3110</td>
</tr>
<tr>
<td>Office of Worker Compensation</td>
<td>Wes Hataway</td>
<td>225-342-3110</td>
</tr>
<tr>
<td>Office of Workforce Development</td>
<td>Bryan Moore</td>
<td>225-342-3110</td>
</tr>
</tbody>
</table>