

Representative Jim Fannin  
Chairman



Representative Simone Champagne  
Vice Chairman

FY 14-15 Executive Budget Review  
LOUISIANA WORKFORCE COMMISSION

House Committee on Appropriations  
by the House Fiscal Division  
MARCH 18, 2014



# Agenda

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# Department Functions

- **Louisiana Rehabilitation Services**

- Assists persons 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.

- **Workers Compensation Administration**

- Establishes standards of payment, utilizes and reviews procedures of injured worker claims, and receives, processes, hears, and resolves legal actions in compliance with state statutes.

- **Workforce Development**

- Provides high quality employment, training services, support services, and other employment-related services to businesses and job seekers.

- **Unemployment Insurance Administration**

- Provides timely and accurate payment of Unemployment Compensation Benefits funded by employers' payments of quarterly unemployment taxes.



# 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 2<sup>nd</sup> Injury Board Program



# Means of Finance

Means of Finance	Actual Expenditures FY 12-13	Existing Operating Budget FY 13-14 (12/1/13)	Executive Budget Recommended FY 14-15	Change from FY 13-14 to FY 14-15	Percent Change from FY 13-14 to FY 14-15
State General Fund	\$8,207,733	\$8,163,582	\$7,401,120	(\$762,462)	(9.3%)
Interagency Transfers	\$3,006,347	\$2,222,766	\$1,836,339	(\$386,427)	(17.4%)
Fees and Self-Gen Rev	\$25,147	\$272,219	\$272,219	\$0	0.0%
Statutory Dedications	\$90,359,698	\$97,225,256	\$99,051,094	\$1,825,838	1.9%
Federal Funds	\$148,868,062	\$169,624,992	\$167,610,604	(\$2,014,388)	(1.2%)
<b>TOTAL</b>	<b>\$250,466,987</b>	<b>\$277,508,815</b>	<b>\$276,171,376</b>	<b>(\$1,337,439)</b>	<b>(0.5%)</b>
Authorized Positions	1,155	1,033	951	(82)	(7.9%)

## Significant Adjustments

- **State General Fund**
- Decrease in Other Charges in the Workforce Development Program for Louisiana Rehabilitative Services

**\$762,462**



- **Statutory Dedications**
- Increases for performance adjustments, retirement system adjustments, salary base adjustments

**\$1.8M**



- **Federal**
- Decrease is largely due to personnel reductions, attrition, and eliminating funding for Helping Individuals Reach Employment (HIRE) contract

**\$2 M**



- **Authorized Positions**
- 44 positions were transferred to the Office of Technology Services
- 38 vacancies were eliminated

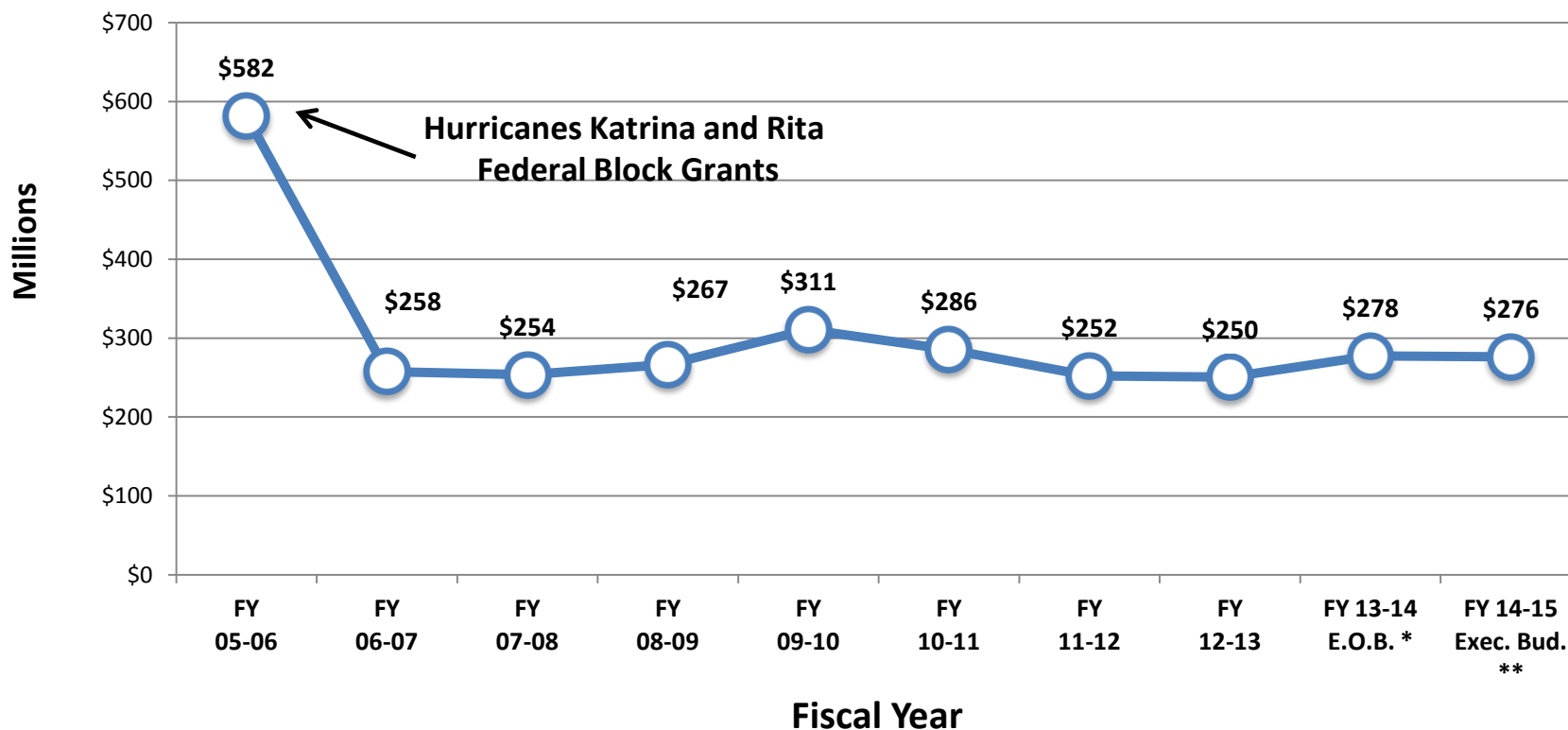
**82 T.O.**





# 10-Year Budget History

## LOUISIANA WORKFORCE COMMISSION (Total Funding)



Source: Executive Budget Supporting Documents

\*Existing Operating Budget as of 12/1/13

\*\*Governor's Executive Budget Recommendation



# Major Sources of Revenues FY 14-15

## Statutory Dedications - \$99 million

- Workers' Compensation 2<sup>nd</sup> 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 - \$167.6 million

- Employment Security Grants
- Employment Security Administration Account
- Workforce Investment Act
- Reed Act



# Expenditure Breakdown

Expenditures	FY 12-13 Actual Expenditures	FY 13-14 Existing Operating Budget (12/1/13)	FY 14-15 Executive Budget Recommendation	Change from FY 13-14 to FY 14-15	Percent Change from FY 13-14 to FY 14-15
Salaries	\$45,454,525	\$48,750,353	\$44,706,008	(\$4,044,345)	(8.3%)
Other Compensation	\$4,054,891	\$2,325,243	\$2,150,275	(\$174,968)	(7.5%)
Related Benefits	\$26,296,789	\$30,233,952	\$31,318,379	\$1,084,427	3.6%
Travel	\$686,929	\$1,239,791	\$1,120,165	(\$119,626)	(9.6%)
Operating Services	\$11,555,502	\$14,380,384	\$11,738,435	(\$2,641,949)	(18.4%)
Supplies	\$913,853	\$1,201,156	\$999,534	(\$201,622)	(16.8%)
Professional Services	\$6,363,461	\$15,158,335	\$10,569,872	(\$4,588,463)	(30.3%)
Other Charges	\$154,150,241	\$161,934,194	\$172,322,483	\$10,388,289	6.4%
Acq/Major Repairs	\$990,796	\$2,285,407	\$1,246,225	(\$1,039,182)	(45.5%)
Unallotted	\$0	\$0	\$0	\$0	0.0%
<b>TOTAL EXP</b>	<b>\$250,466,987</b>	<b>\$277,508,815</b>	<b>\$276,171,376</b>	<b>(\$1,337,439)</b>	<b>(0.5%)</b>

## Salaries and Other Compensation

- Reductions are due to personnel reductions and attrition adjustments

## Operating Services and Professional Services

- Reductions are due to the transfer of IT services to the Office of Technology Services

## Other Charges

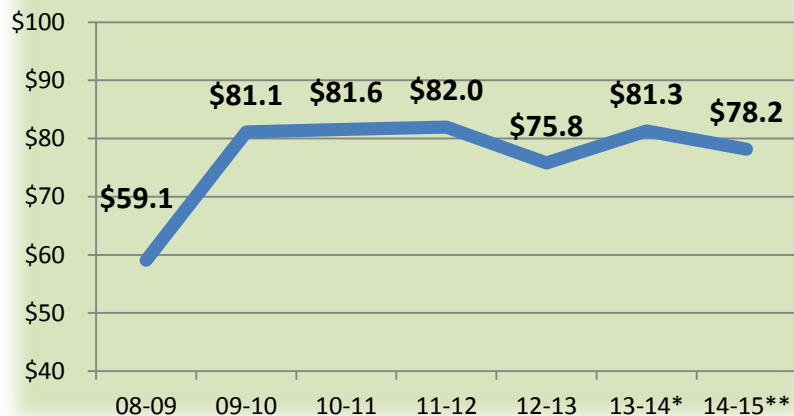
- Interagency Transfer to the Division of Administration for the Office of Technology Services



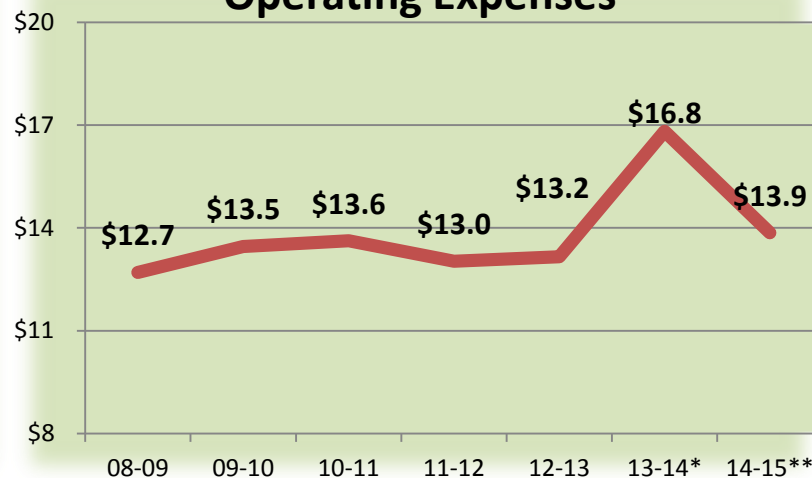


# 7-Year Expenditure History (in millions)

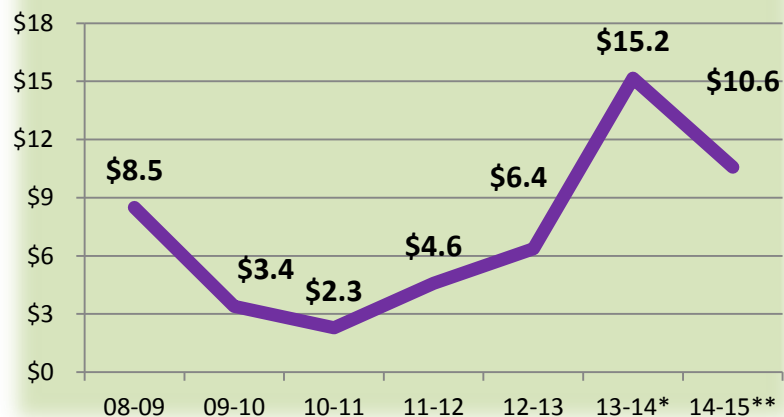
## Personal Services



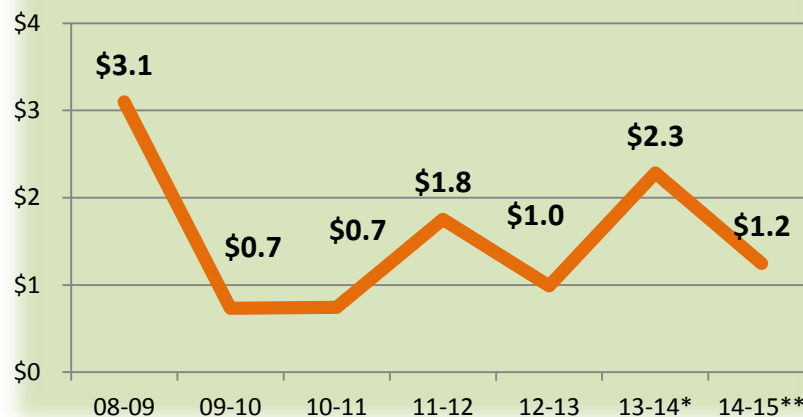
## Operating Expenses



## Professional Services

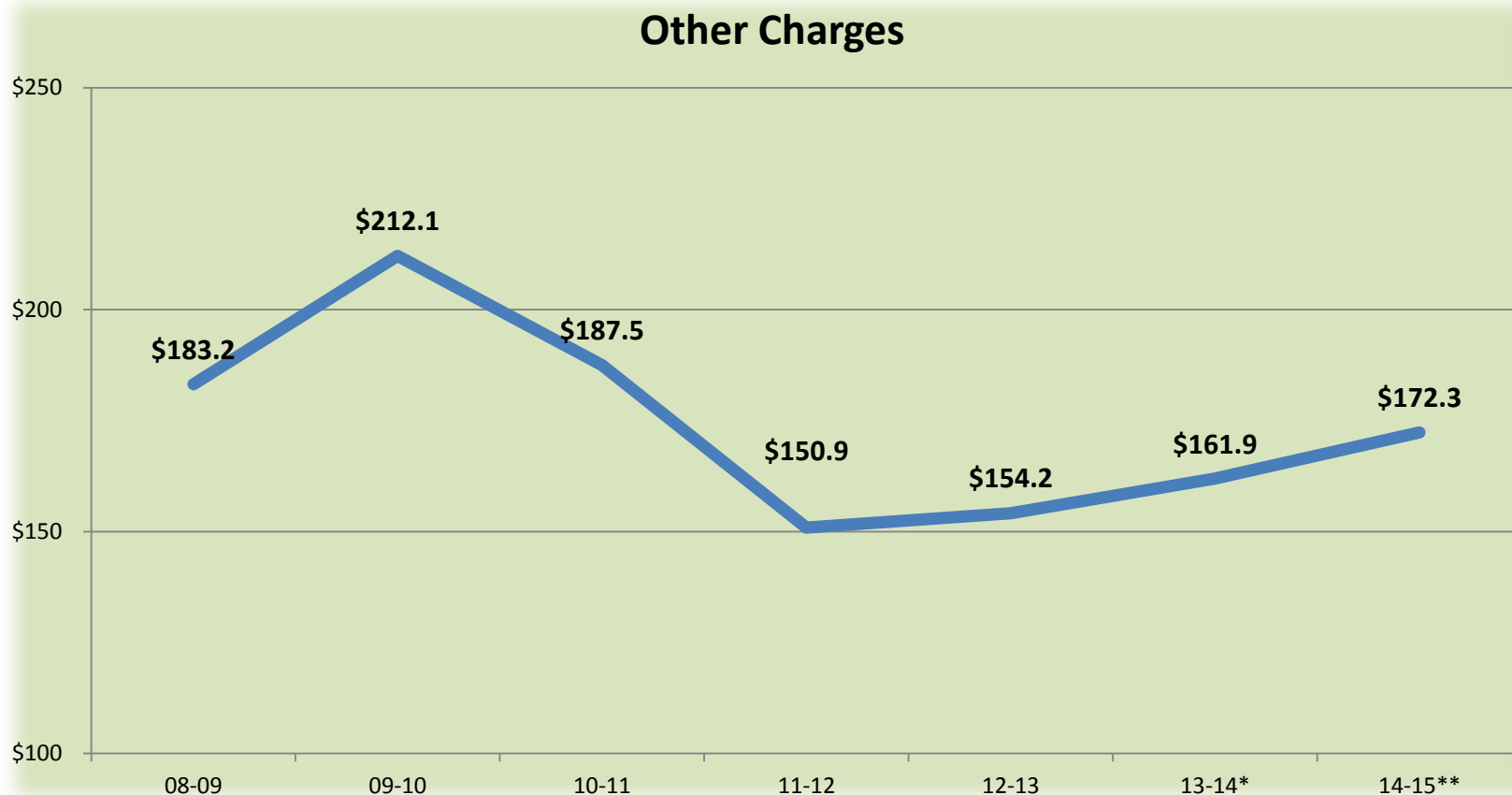


## Acquisitions & Major Repairs





# 7-Year Expenditure History (in millions)



Source: Executive Budget Supporting Documents

\*Existing Operating Budget as of 12/1/13

\*\*Governor's Executive Budget Recommendation



# Significant Adjustments

**\$762,462**  
**SGF**



According to the Office of Planning and Budget, this reduction is a decrease in Other Charges in the Workforce Development Program for Louisiana Rehabilitative Services.

**\$2.05 M**  
**Federal**



For the continued implementation and maintenance cost for the Helping Individuals Reach Employment (HIRE) Computer System. This system integrates the unemployment compensation and workforce services data in an effort to provide better re-employment services.

**\$4.4 M**  
**Federal**



Eliminates funding used in the current year from the Geographic Solutions Project contract for Helping Individuals Reach Employment (HIRE).

**\$1.8 M**  
**Various**  
**MOF**



Classified state employees performance adjustments (\$403K in Statutory Dedications; \$1.4M in Federal Funds).



# Discretionary/Nondiscretionary Funding in FY 14-15

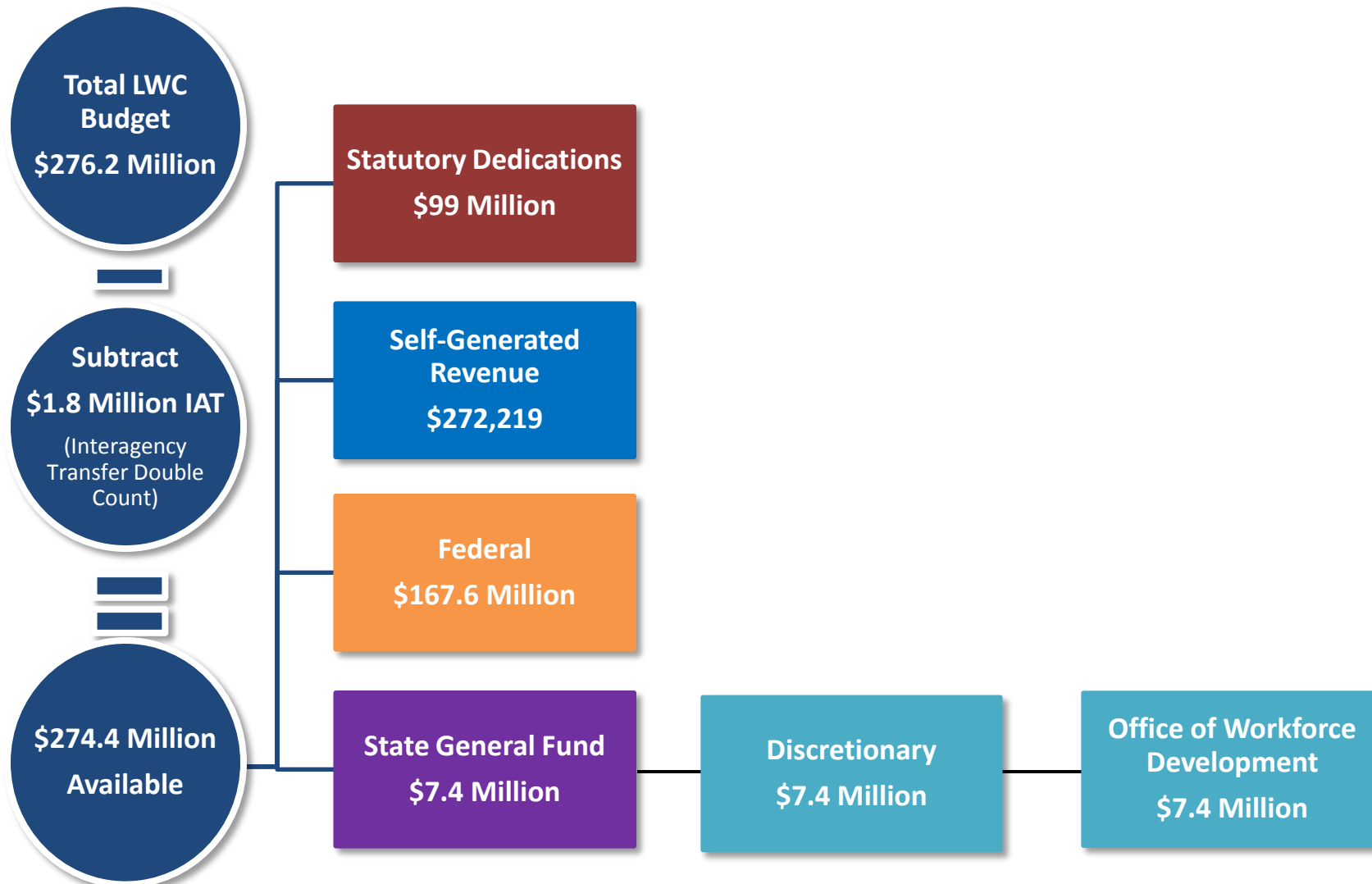
## Executive Budget

Activity/Program	TOTAL FUNDING -\$276,171,376		STATE GENERAL FUND -\$7,401,120	
	Discretionary	Non-Discretionary	Discretionary	Non-Discretionary
<b>Office of the Executive Director</b>	\$ 3,996,040	\$ 299,449	\$ 0	\$ 0
<b>Office of Management and Finance</b>	\$ 6,899,763	\$ 8,756,074	\$ 0	\$ 0
<b>Office of Information Systems</b>	\$ 17,783,908	\$ 0	\$ 0	\$ 0
<b>Office of Workforce Development</b>	\$ 144,858,811	\$0	\$ 7,401,120	\$ 0
Louisiana Rehabilitation Services- state funds are federally matched at a rate of \$3.69	\$ 34,711,253	\$ 0	\$7,401,120	\$ 0
Incumbent Worker Training Program	\$ 26,432,489	\$ 0	\$ 0	\$ 0
<b>Office of Unemployment Insurance Administration</b>	\$ 32,043,316	\$ 0	\$ 0	\$ 0
Consulting services for HIRE	\$ 6,866,688	\$ 0	\$0	\$ 0
<b>Office of Workers Compensation Administration</b>	\$15,659,550	\$0	\$0	\$0
<b>Office of the 2<sup>nd</sup> Injury Board</b>	\$45,874,465	\$0	\$0	\$0
Reimbursement to insurance carriers for cost or worker's compensation benefits when an eligible worker sustains a subsequent injury	\$44,637,794	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$267,115,853</b>	<b>\$ 9,455,523</b>	<b>\$7,401,120</b>	<b>\$ 0</b>

❑ The discretionary State General Fund in the agency's budget is **0.1%** of the total discretionary State General Fund recommended for FY 14-15.



# Discretionary/Nondiscretionary Funding in FY 14-15 Executive Budget





# Salaries and Positions

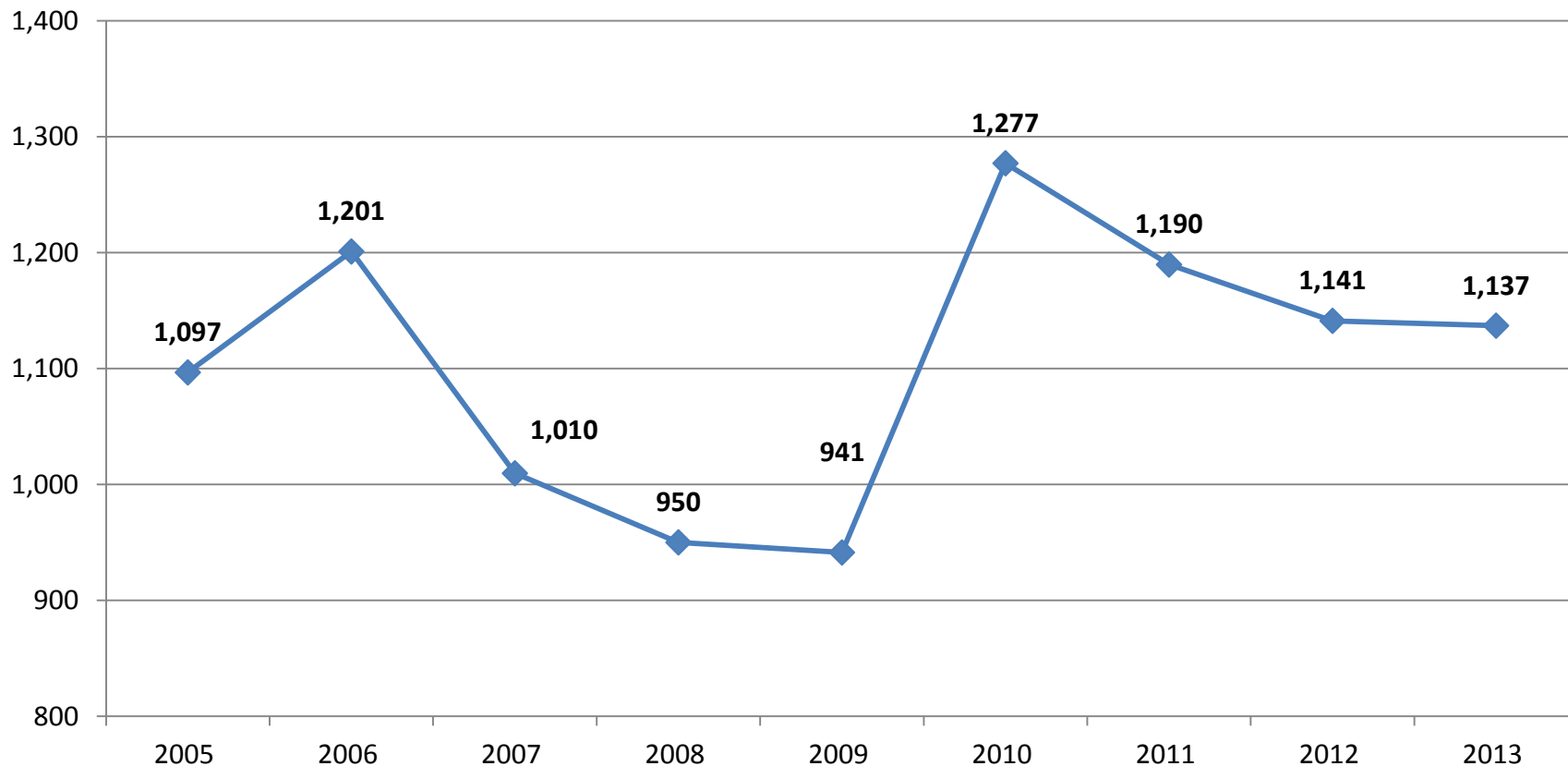
## FY 14-15 SALARIES/POSITIONS

- \$46.8 million for Salaries and Other Compensation
- \$31.3 million for Related Benefits
- Total Personnel Services = \$78.1 million; 75% of the Louisiana Workforce Commission total Executive Budget Recommendation (excluding Other Charges)
- 951 Authorized Positions (933 classified and 18 unclassified)
- 139 full-time non-T.O. positions
- 0 Other Charges positions
- As of 12/27/2013, Louisiana Workforce Commission had 68 vacancies; Executive Budget eliminates 38 of these vacant positions.



# Salaries and Positions

## TOTAL FULL-TIME EQUIVALENT (FTE) POSITIONS

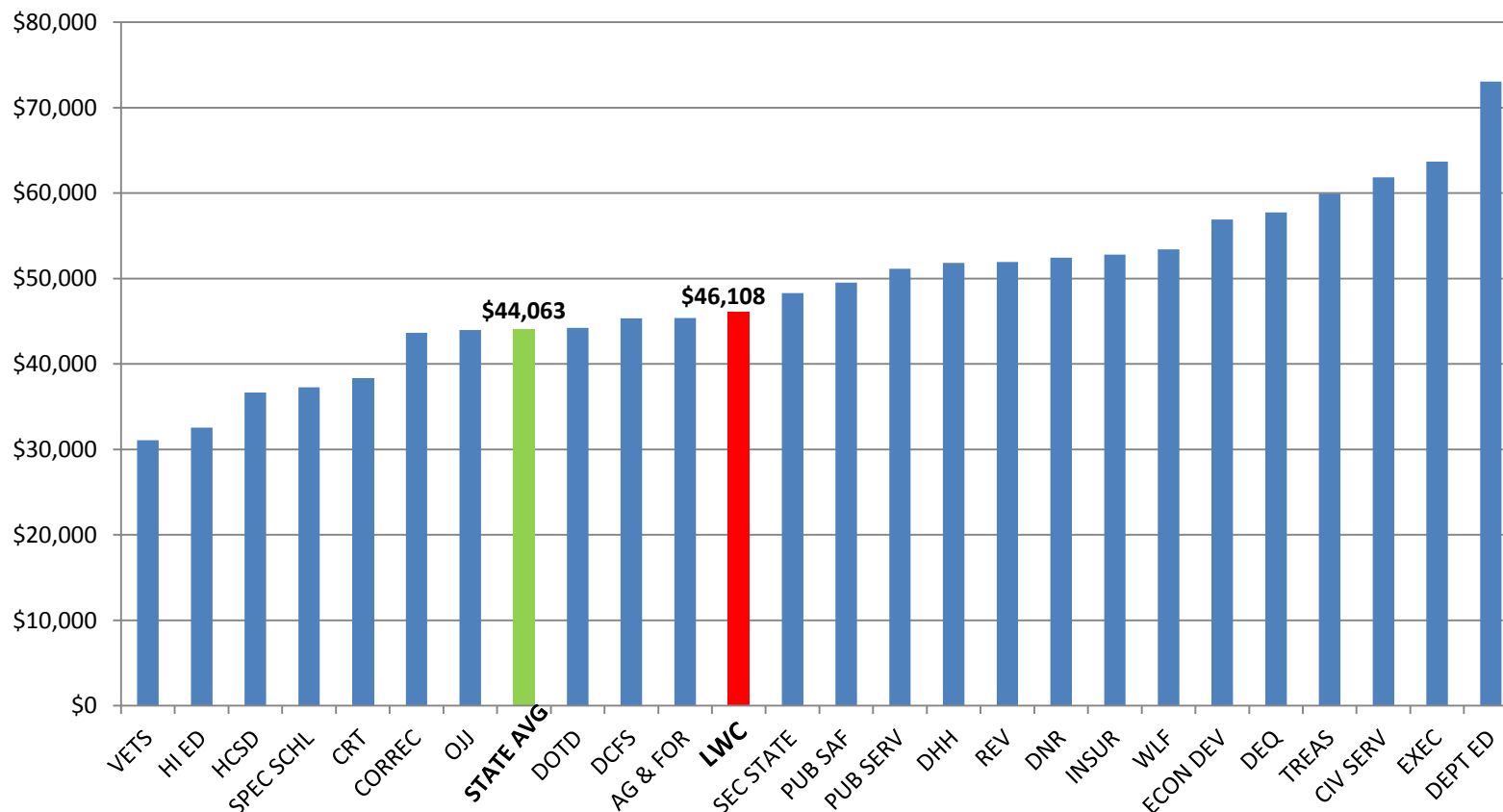


Source: Prepared by House Fiscal Division staff using information from ISIS-HR



# Salaries and Positions

## FY 13 CLASSIFIED AVERAGE ANNUAL PAY PER FTE



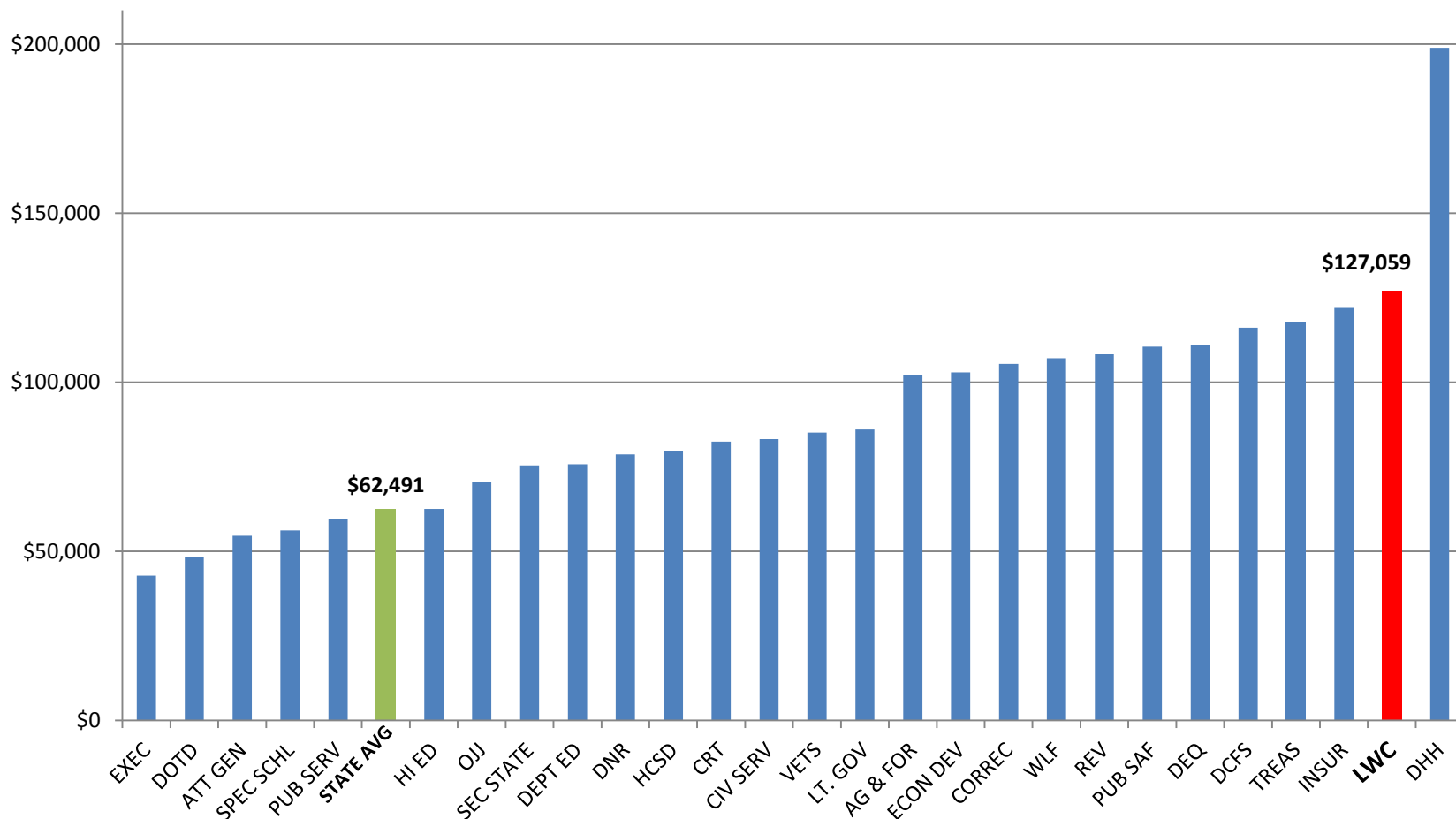
Source: Prepared by House Fiscal Division staff using information from ISIS-HR and Civil Service





# Salaries and Positions

## FY 13 UNCLASSIFIED AVERAGE ANNUAL PAY PER FTE

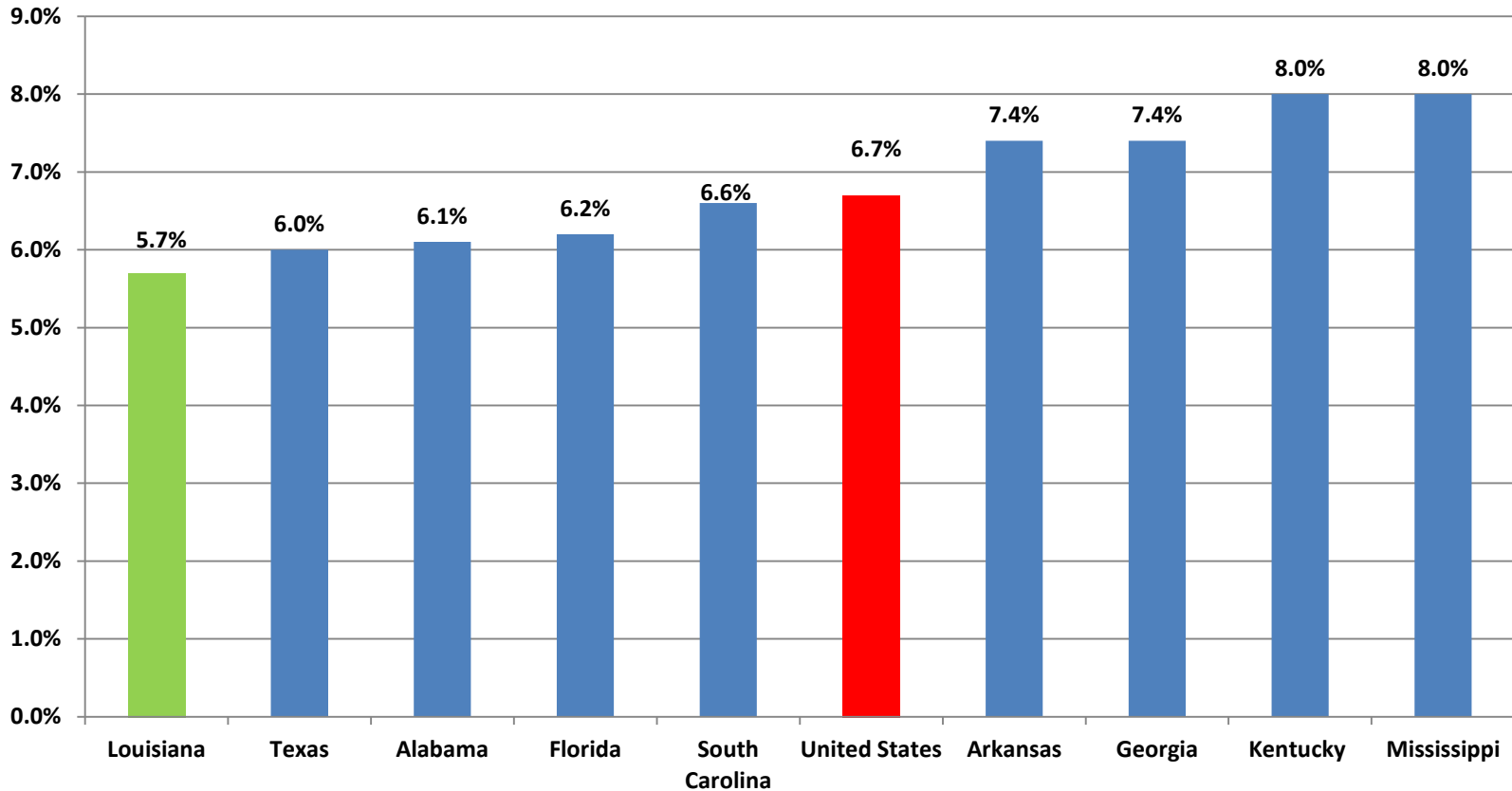


Source: Prepared by House Fiscal Division staff using information from ISIS-HR and Civil Service



# State Comparisons

## Unemployment Rates

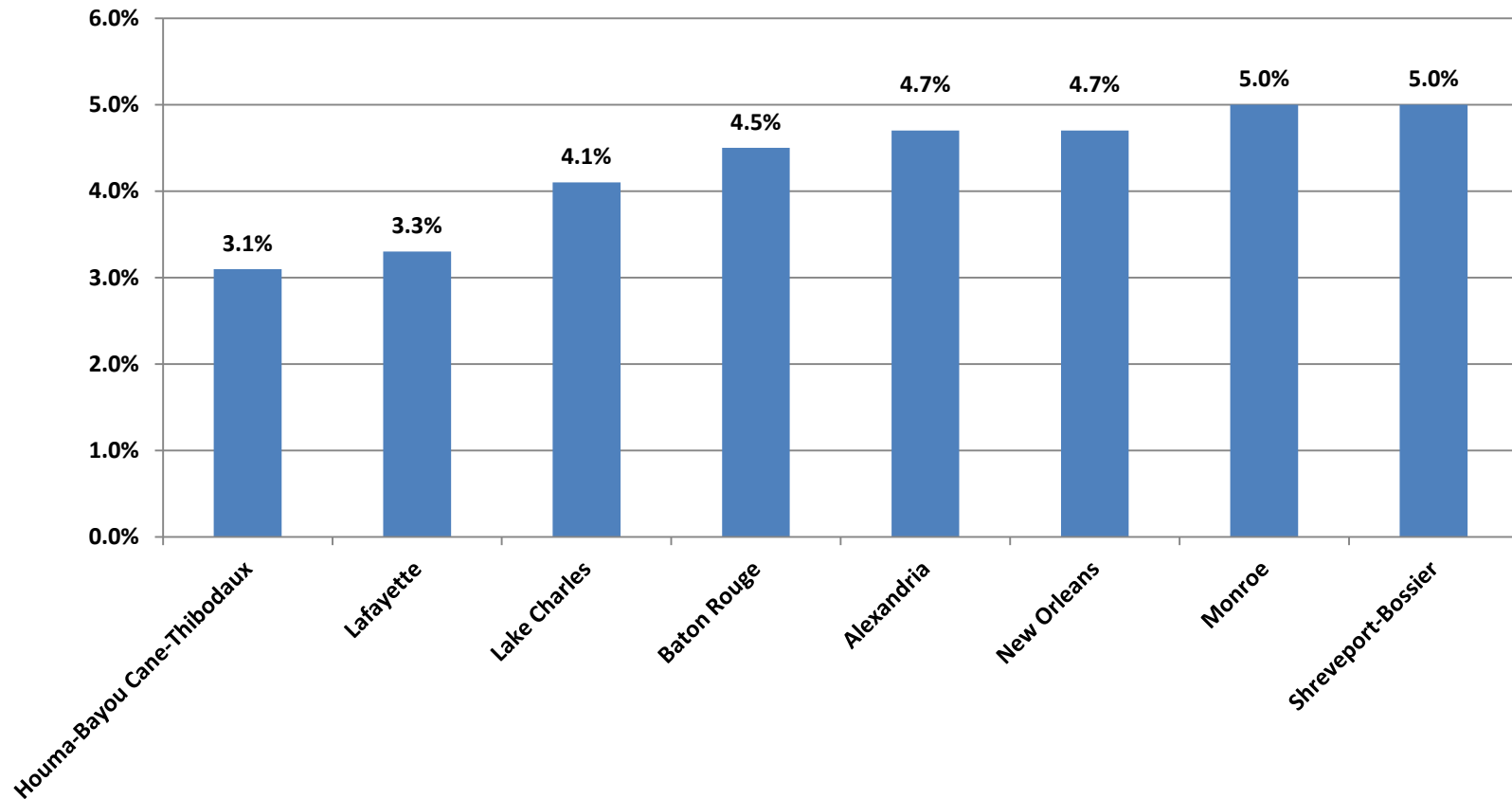


Source: Bureau of Labor Statistics. As of December 2013.



# Local Comparisons

## Unemployment Rates for Metropolitan Areas



Source: Bureau of Labor Statistics. As of December 2013.



# Department Contacts

AGENCY	Agency Head	Phone
Office of the Executive Director	Kurt Eysink	225-342-3110
Office of Management and Finance	Renee Roberie	225-342-3110
Office of Unemployment Insurance	Dayne Freeman	225-342-3110
Office of Worker Compensation	Wes Hataway	225-342-3110
Office of Workforce Development	Bryan Moore	225-342-3110