FY 14-15 Executive Budget Review
LOUISIANA WORKFORCE COMMISSION

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

Budget Overview

- Department Functions  3
- Department Structure  4
- Means of Finance Comparison  5
- 10 Year Budget History  6
- Major Sources of Revenues  7
- Expenditure Breakdown  8
- Expenditure History  9
- Significant Adjustments  11
- Discretionary/Non-Discretionary Funding  12
- Salaries and Positions  14
- Unemployment Data  18
- Department Contacts  20
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\textsuperscript{nd} Injury Board Program
# Means of Finance

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

## Significant Adjustments

- **State General Fund**
  - Decrease in Other Charges in the Workforce Development Program for Louisiana Rehabilitative Services
  - Decrease: $762,462

- **Statutory Dedications**
  - Increases for performance adjustments, retirement system adjustments, salary base adjustments
  - Increase: $1.8M

- **Federal**
  - Decrease is largely due to personnel reductions, attrition, and eliminating funding for Helping Individuals Reach Employment (HIRE) contract
  - Decrease: $2 M

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

Ronnie Downey 225-342-0474  Louisiana Workforce Commission  House Fiscal Division
Major Sources of Revenues FY 14-15

Statutory Dedications - $99 million

- Workers’ Compensation 2\textsuperscript{nd} 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

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

**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**
  - 2008-2009: $59.1
  - 2009-2010: $81.1
  - 2010-2011: $81.6
  - 2011-2012: $82.0
  - 2012-2013: $75.8
  - 2013-2014: $81.3
  - 2014-2015: $78.2

- **Operating Expenses**
  - 2008-2009: $12.7
  - 2009-2010: $13.5
  - 2010-2011: $13.6
  - 2011-2012: $13.0
  - 2012-2013: $13.2
  - 2013-2014: $16.8
  - 2014-2015: $13.9

- **Professional Services**
  - 2008-2009: $8.5
  - 2009-2010: $3.4
  - 2010-2011: $2.3
  - 2011-2012: $4.6
  - 2012-2013: $15.2
  - 2013-2014: $10.6

- **Acquisitions & Major Repairs**
  - 2008-2009: $3.1
  - 2009-2010: $0.7
  - 2010-2011: $0.7
  - 2011-2012: $1.8
  - 2012-2013: $1.0
  - 2013-2014: $2.3
  - 2014-2015: $1.2
7-Year Expenditure History (in millions)

Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/13
**Governor’s Executive Budget Recommendation

Ronnie Downey 225-342-0474
Louisiana Workforce Commission
House Fiscal Division
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

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

- 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

Total LWC Budget
$276.2 Million

- Subtract
$1.8 Million IAT (Interagency Transfer Double Count)

- $274.4 Million Available

- Statutory Dedications
$99 Million

- Self-Generated Revenue
$272,219

- Federal
$167.6 Million

- State General Fund
$7.4 Million

- Discretionary
$7.4 Million

- Office of Workforce Development
$7.4 Million
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

<table>
<thead>
<tr>
<th>Year</th>
<th>Positions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>1,097</td>
</tr>
<tr>
<td>2006</td>
<td>1,201</td>
</tr>
<tr>
<td>2007</td>
<td>1,010</td>
</tr>
<tr>
<td>2008</td>
<td>950</td>
</tr>
<tr>
<td>2009</td>
<td>941</td>
</tr>
<tr>
<td>2010</td>
<td>1,277</td>
</tr>
<tr>
<td>2011</td>
<td>1,190</td>
</tr>
<tr>
<td>2012</td>
<td>1,141</td>
</tr>
<tr>
<td>2013</td>
<td>1,137</td>
</tr>
</tbody>
</table>

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

Ronnie Downey 225-342-0474
Louisiana Workforce Commission
House Fiscal Division
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

Ronnie Downey 225-342-0474 Louisiana Workforce Commission House Fiscal Division
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

- Louisiana: 5.7%
- Texas: 6.0%
- Alabama: 6.1%
- Florida: 6.2%
- South Carolina: 6.6%
- United States: 6.7%
- Arkansas: 7.4%
- Georgia: 7.4%
- Kentucky: 8.0%
- Mississippi: 8.0%


Ronnie Downey 225-342-0474
Louisiana Workforce Commission
House Fiscal Division
Local Comparisons

Unemployment Rates for Metropolitan Areas

<table>
<thead>
<tr>
<th>Metropolitan Area</th>
<th>Unemployment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Houma-Bayou Cane-Thibodaux</td>
<td>3.1%</td>
</tr>
<tr>
<td>Lafayette</td>
<td>3.3%</td>
</tr>
<tr>
<td>Lake Charles</td>
<td>4.1%</td>
</tr>
<tr>
<td>Baton Rouge</td>
<td>4.5%</td>
</tr>
<tr>
<td>Alexandria</td>
<td>4.7%</td>
</tr>
<tr>
<td>New Orleans</td>
<td>4.7%</td>
</tr>
<tr>
<td>Monroe</td>
<td>5.0%</td>
</tr>
<tr>
<td>Shreveport-Bossier</td>
<td>5.0%</td>
</tr>
</tbody>
</table>


Ronnie Downey 225-342-0474  Louisiana Workforce Commission  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 Eysink</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>