FY 15-16 Executive Budget Review
LOUISIANA WORKFORCE COMMISSION

House Committee on Appropriations
by the House Fiscal Division
March 19, 2015
Budget Overview

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• **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></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>State General Fund</td>
<td>$8,163,582</td>
<td>$8,163,120</td>
<td>$8,163,120</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Interagency Transfers</td>
<td>$1,212,977</td>
<td>$1,836,339</td>
<td>$4,595,368</td>
<td>$2,759,029</td>
<td>150.2%</td>
</tr>
<tr>
<td>Fees and Self-Gen. Rev.</td>
<td>$77,463</td>
<td>$272,219</td>
<td>$272,219</td>
<td>0</td>
<td>0.0%</td>
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<tr>
<td>Statutory Dedications</td>
<td>$92,723,379</td>
<td>$102,504,310</td>
<td>$111,396,051</td>
<td>$8,891,741</td>
<td>8.7%</td>
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<tr>
<td>Federal Funds</td>
<td>$139,778,676</td>
<td>$171,993,555</td>
<td>$162,475,300</td>
<td>($9,518,255)</td>
<td>(5.5%)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$241,956,077</td>
<td>$284,769,543</td>
<td>$286,902,058</td>
<td>$2,132,515</td>
<td>0.7%</td>
</tr>
<tr>
<td>Authorized Positions</td>
<td>993</td>
<td>952</td>
<td>916</td>
<td>(36)</td>
<td>(3.8%)</td>
</tr>
</tbody>
</table>

## Significant Adjustments

**Interagency Transfers**
- Transfers from DCFS for STEP and LEAP Programs.
  - $2.8M

**Statutory Dedications**
- Increase in budget authority for existing funds for pending workers’ compensation claims.
  - $8.9M

**Federal**
- Adjustments to align budget authority.
- Non-recurring carryforwards and other statewide adjustments.
  - ($9.5M)

**Authorized Positions**
- 22 positions were transferred to Office of State Procurement and Office of State Human Capital Management as part of consolidation.
- 14 vacant positions were eliminated.
  - (36 T.O.)
10-Year Budget History

LOUISIANA WORKFORCE COMMISSION
(Total Funding)

Millions

FY 06-07 FY 07-08 FY 08-09 FY 09-10 FY 10-11 FY 11-12 FY 12-13 FY 13-14 FY 14-15 * FY 15-16 **

$258 $254 $267 $311 $286 $252 $250 $242 $285 $287

Fiscal Year

Source: Executive Budget Supporting Documents
*Existing Operating Budget as of 12/1/14
**Governor’s Executive Budget Recommendation
Major Sources of Revenue FY 15-16

Statutory Dedications - $111 million

- 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 - $162 million

- Employment Security Grants
- Employment Security Administration Account
- Workforce Investment Act
- Reed Act
## Expenditure Breakdown

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>FY 13-14 Actual Expenditures</th>
<th>FY 14-15 Existing Operating Budget (12/1/13)</th>
<th>FY 15-16 Executive Budget Recommendation</th>
<th>Change from FY 14-15 to FY 15-16</th>
<th>Percent Change from FY 14-15 to FY 15-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$44,499,455</td>
<td>$44,828,645</td>
<td>$45,191,408</td>
<td>$362,763</td>
<td>0.8%</td>
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<tr>
<td>Other Compensation</td>
<td>$4,471,343</td>
<td>$2,150,275</td>
<td>$2,108,675</td>
<td>($41,600)</td>
<td>(1.9%)</td>
</tr>
<tr>
<td>Related Benefits</td>
<td>$26,224,517</td>
<td>$31,369,886</td>
<td>$29,161,574</td>
<td>($2,208,312)</td>
<td>(7.0%)</td>
</tr>
<tr>
<td>Travel</td>
<td>$798,870</td>
<td>$1,185,165</td>
<td>$925,165</td>
<td>($260,000)</td>
<td>(21.9%)</td>
</tr>
<tr>
<td>Operating Services</td>
<td>$12,800,010</td>
<td>$13,798,079</td>
<td>$13,721,971</td>
<td>($76,108)</td>
<td>(0.6%)</td>
</tr>
<tr>
<td>Supplies</td>
<td>$833,185</td>
<td>$1,041,534</td>
<td>$946,734</td>
<td>($94,800)</td>
<td>(9.1%)</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$3,698,948</td>
<td>$15,019,872</td>
<td>$9,544,241</td>
<td>($5,475,631)</td>
<td>(36.5%)</td>
</tr>
<tr>
<td>Other Charges</td>
<td>$146,640,765</td>
<td>$174,129,862</td>
<td>$185,302,290</td>
<td>$11,172,428</td>
<td>6.4%</td>
</tr>
<tr>
<td>Acq/Major Repairs</td>
<td>$1,988,984</td>
<td>$1,246,225</td>
<td>$0</td>
<td>($1,246,225)</td>
<td>(100.0%)</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><strong>TOTAL EXP</strong></td>
<td><strong>$241,956,077</strong></td>
<td><strong>$284,769,543</strong></td>
<td><strong>$286,902,058</strong></td>
<td><strong>$2,132,515</strong></td>
<td><strong>0.7%</strong></td>
</tr>
</tbody>
</table>

### Salaries
- Slight increase due to statewide adjustments, such as salary base adjustments.

### Professional Services
- Decrease due to the competition of the Geographic Solutions Project for the HIRE system.

### Related Benefits
- Decrease due to statewide adjustments, such as retirement and group insurance rate adjustments.

### Other Charges
- Increase largely due to payment of pending workers’ compensation claims.
8-Year Expenditure History (in millions)

**Personal Services**
- 2008-09: $59.1
- 2009-10: $81.1
- 2010-11: $81.6
- 2011-12: $82.0
- 2012-13: $75.8
- 2013-14: $75.2
- 2014-15: $78.3
- 2014-15*: $76.5

**Operating Expenses**
- 2008-09: $12.7
- 2009-10: $13.5
- 2010-11: $13.6
- 2011-12: $13.0
- 2012-13: $13.2
- 2013-14: $14.4
- 2014-15*: $16.0
- 2015-16**: $15.6

**Professional Services**
- 2008-09: $8.5
- 2009-10: $3.4
- 2010-11: $2.3
- 2011-12: $4.6
- 2012-13: $6.4
- 2013-14: $3.7
- 2014-15*: $15.0
- 2015-16**: $9.5

**Acquisitions & Major Repairs**
- 2008-09: $3.1
- 2009-10: $0.7
- 2010-11: $0.7
- 2011-12: $1.8
- 2012-13: $2.0
- 2013-14: $1.2
- 2014-15*: $0.0
- 2015-16**: $0.0
8-Year Expenditure History (in millions)

Other Charges

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenditure (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>08-09</td>
<td>$183.2</td>
</tr>
<tr>
<td>09-10</td>
<td>$212.1</td>
</tr>
<tr>
<td>10-11</td>
<td>$187.5</td>
</tr>
<tr>
<td>11-12</td>
<td>$150.9</td>
</tr>
<tr>
<td>12-13</td>
<td>$154.2</td>
</tr>
<tr>
<td>13-14</td>
<td>$146.6</td>
</tr>
<tr>
<td>14-15*</td>
<td>$174.1</td>
</tr>
<tr>
<td>15-16**</td>
<td>$185.3</td>
</tr>
</tbody>
</table>

Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/14
**Governor’s Executive Budget Recommendation
Significant Adjustments

- **$2.5 M IAT**
  - Transfer of Federal TANF dollars from the Department of Children and Family Services for the STEP and LEAP programs.

- **$10 M Stat Ded**
  - Increase in Workers’ Compensation Second Injury Fund for the payment of pending workers' compensation claims.

- **($4.4 M) Federal**
  - Eliminates funding used in the current year from the Geographic Solutions Project contract for Helping Individuals Reach Employment (HIRE).

- **($6.6 M) Federal**
  - Provides for the realignment of Federal Funds to align budget authority to reflect revenue and expenditures.
Discretionary/Non-Discretionary Funding in FY 15-16
Executive Budget

Total LWC Budget
$286.9 Million

- Statutory Dedications
  $111.4 Million

- Federal
  $162.5 Million

- Self-Generated Revenue
  $272,219

State General Fund
$8.2 Million

Discretionary
$8.2 Million

Office of Workforce Development
$8.2 Million

Subtract
$4.6 Million IAT
(Interagency Transfer Double Count)

$282.3 Million Available
FY 15-16 SALARIES/POSITIONS

- $47.3 million for Salaries and Other Compensation
- $29.2 million for Related Benefits
- Total Personal Services = $76.5 million; 75% of the Louisiana Workforce Commission total Executive Budget Recommendation (excluding Other Charges)

- 916 Authorized Positions (898 classified and 18 unclassified)
- 139 full-time non-T.O. positions
- 0 Other Charges positions

- As of 1/30/2015, Louisiana Workforce Commission had 26 vacancies; Executive Budget eliminates 14 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

Blake Ruiz (225) 342-0474
Louisiana Workforce Commission
House Fiscal Division
Salaries and Positions

FY 14 CLASSIFIED AVERAGE ANNUAL PAY PER FTE

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

Blake Ruiz (225) 342-0474   Louisiana Workforce Commission   House Fiscal Division
Salaries and Positions

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

Blake Ruiz (225) 342-0474
Louisiana Workforce Commission
House Fiscal Division
State Comparisons

Unemployment Rates
(as of December 2014)


Blake Ruiz (225) 342-0474  Louisiana Workforce Commission  House Fiscal Division
Local Comparisons

Unemployment Rates (as of December 2014)

- Houma-Bayou Cane-Thibodaux: 4.2%
- Lafayette: 4.6%
- Lake Charles: 5.3%
- Baton Rouge: 5.7%
- New Orleans: 6.1%
- Shreveport-Bossier City: 6.5%
- Alexandria: 6.7%
- Monroe: 6.7%

# Department Contacts

<table>
<thead>
<tr>
<th>TITLE</th>
<th>CONTACT</th>
<th>PHONE NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of the Executive Director</td>
<td>Curt 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>Patrick Robinson</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>