

Representative Jim Fannin
Chairman



Representative Bryan Adams
Vice Chairman

FY 15-16 Executive Budget Review
LOUISIANA WORKFORCE COMMISSION

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



Agenda

Budget Overview

- Department Functions 3
- Department Structure 4
- Means of Finance Comparison 5
- 10-Year Budget History 6
- Major Sources of Revenue 7
- Expenditure Breakdown 8
- Expenditure History 9
- Significant Adjustments 11
- Discretionary/Non-Discretionary Funding 12
- Salaries and Positions 13
- Unemployment Data 17
- Department Contacts 19



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 2nd Injury Board Program



Means of Finance

| Means of Finance | Actual Expenditures FY 13-14 | Existing Operating Budget FY 14-15 (12/1/14) | Executive Budget Recommended FY 15-16 | Change from FY 14-15 to FY 15-16 | Percent Change from FY 14-15 to FY 15-16 |
|-------------------------|---------------------------------|--|---|--|---|
| State General Fund | \$8,163,582 | \$8,163,120 | \$8,163,120 | \$0 | 0.0% |
| Interagency Transfers | \$1,212,977 | \$1,836,339 | \$4,595,368 | \$2,759,029 | 150.2% |
| Fees and Self-Gen. Rev. | \$77,463 | \$272,219 | \$272,219 | \$0 | 0.0% |
| Statutory Dedications | \$92,723,379 | \$102,504,310 | \$111,396,051 | \$8,891,741 | 8.7% |
| Federal Funds | \$139,778,676 | \$171,993,555 | \$162,475,300 | (\$9,518,255) | (5.5%) |
| TOTAL | \$241,956,077 | \$284,769,543 | \$286,902,058 | \$2,132,515 | 0.7% |
| Authorized Positions | 993 | 952 | 916 | (36) | (3.8%) |

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.

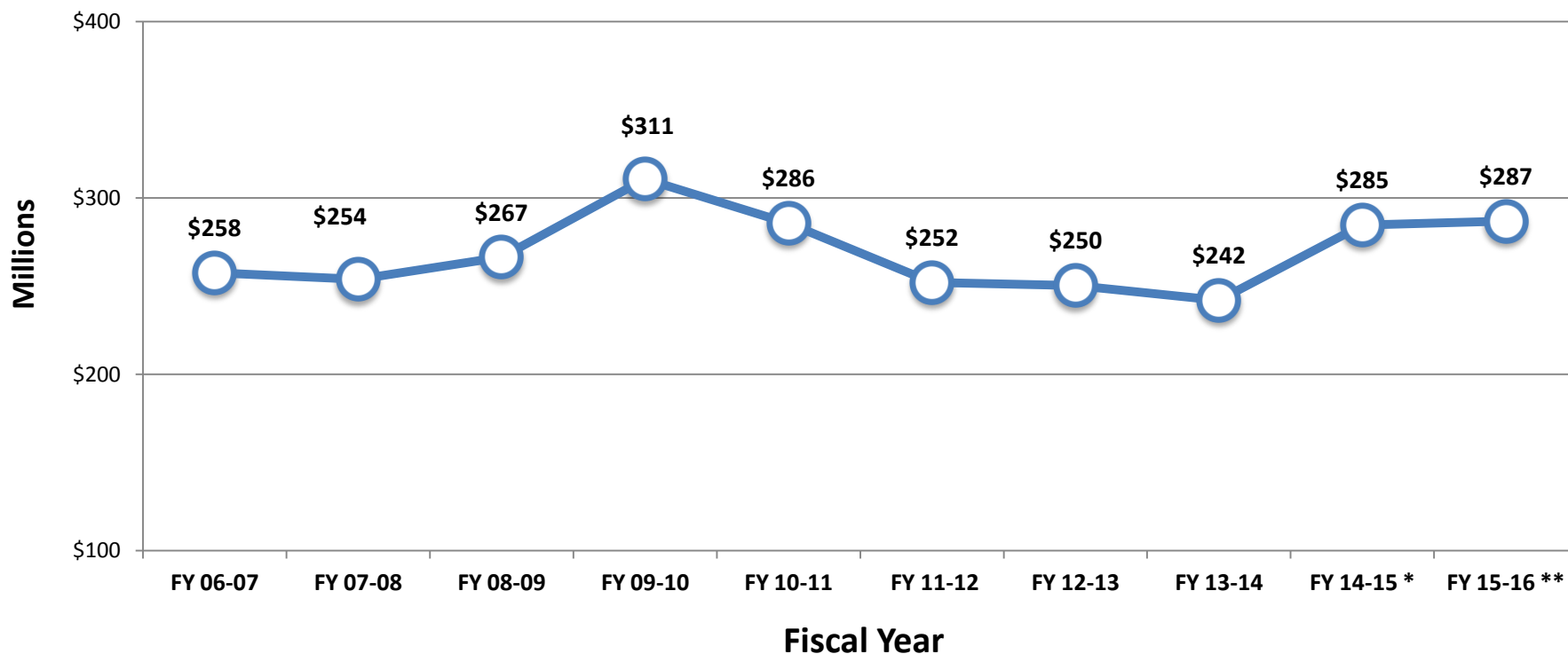
(36 T.O.)





10-Year Budget History

LOUISIANA WORKFORCE COMMISSION (Total Funding)



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

| Expenditures | FY 13-14 Actual Expenditures | FY 14-15 Existing Operating Budget (12/1/13) | FY 15-16 Executive Budget Recommendation | Change from FY 14-15 to FY 15-16 | Percent Change from FY 14-15 to FY 15-16 |
|-----------------------|------------------------------|--|--|----------------------------------|--|
| Salaries | \$44,499,455 | \$44,828,645 | \$45,191,408 | \$362,763 | 0.8% |
| Other Compensation | \$4,471,343 | \$2,150,275 | \$2,108,675 | (\$41,600) | (1.9%) |
| Related Benefits | \$26,224,517 | \$31,369,886 | \$29,161,574 | (\$2,208,312) | (7.0%) |
| Travel | \$798,870 | \$1,185,165 | \$925,165 | (\$260,000) | (21.9%) |
| Operating Services | \$12,800,010 | \$13,798,079 | \$13,721,971 | (\$76,108) | (0.6%) |
| Supplies | \$833,185 | \$1,041,534 | \$946,734 | (\$94,800) | (9.1%) |
| Professional Services | \$3,698,948 | \$15,019,872 | \$9,544,241 | (\$5,475,631) | (36.5%) |
| Other Charges | \$146,640,765 | \$174,129,862 | \$185,302,290 | \$11,172,428 | 6.4% |
| Acq/Major Repairs | \$1,988,984 | \$1,246,225 | \$0 | (\$1,246,225) | (100.0%) |
| Unallotted | \$0 | \$0 | \$0 | \$0 | 0.0% |
| TOTAL EXP | \$241,956,077 | \$284,769,543 | \$286,902,058 | \$2,132,515 | 0.7% |

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.

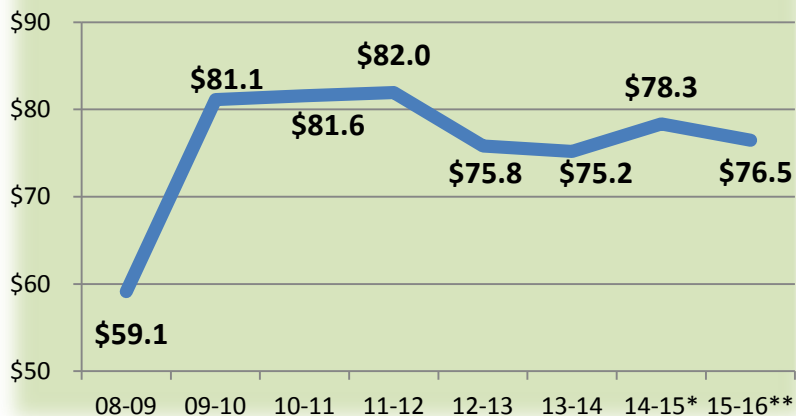
Other Charges

- Increase largely due to payment of pending workers' compensation claims.

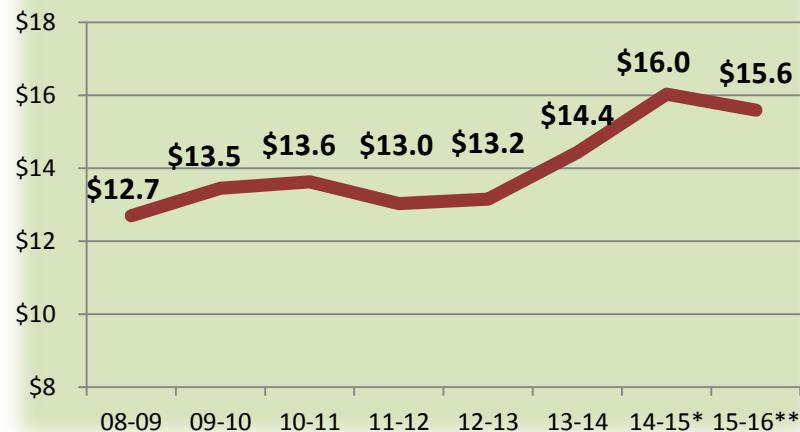


8-Year Expenditure History (in millions)

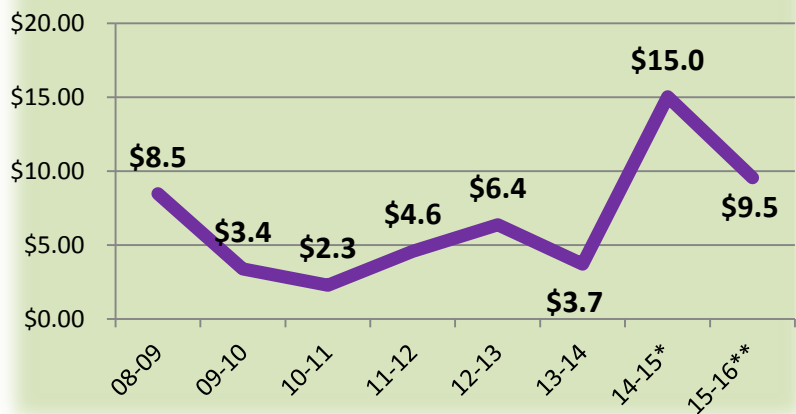
Personal Services



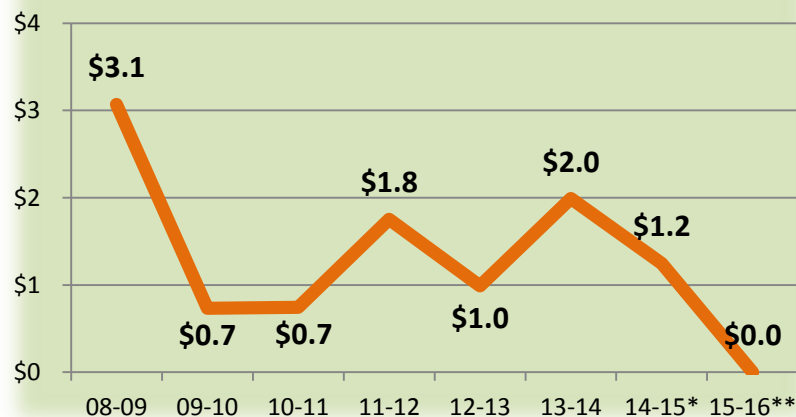
Operating Expenses



Professional Services

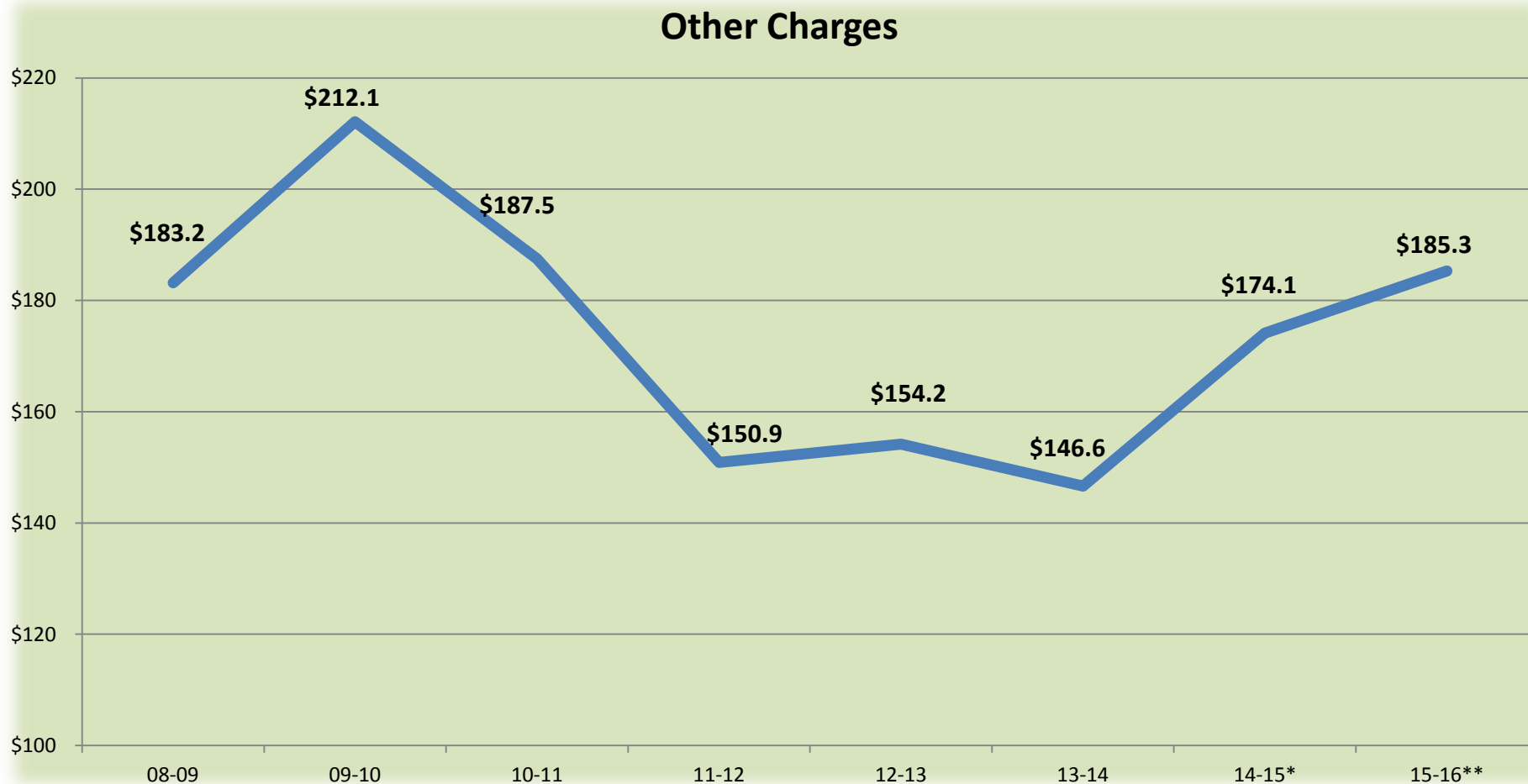


Acquisitions & Major Repairs





8-Year Expenditure History (in millions)



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).

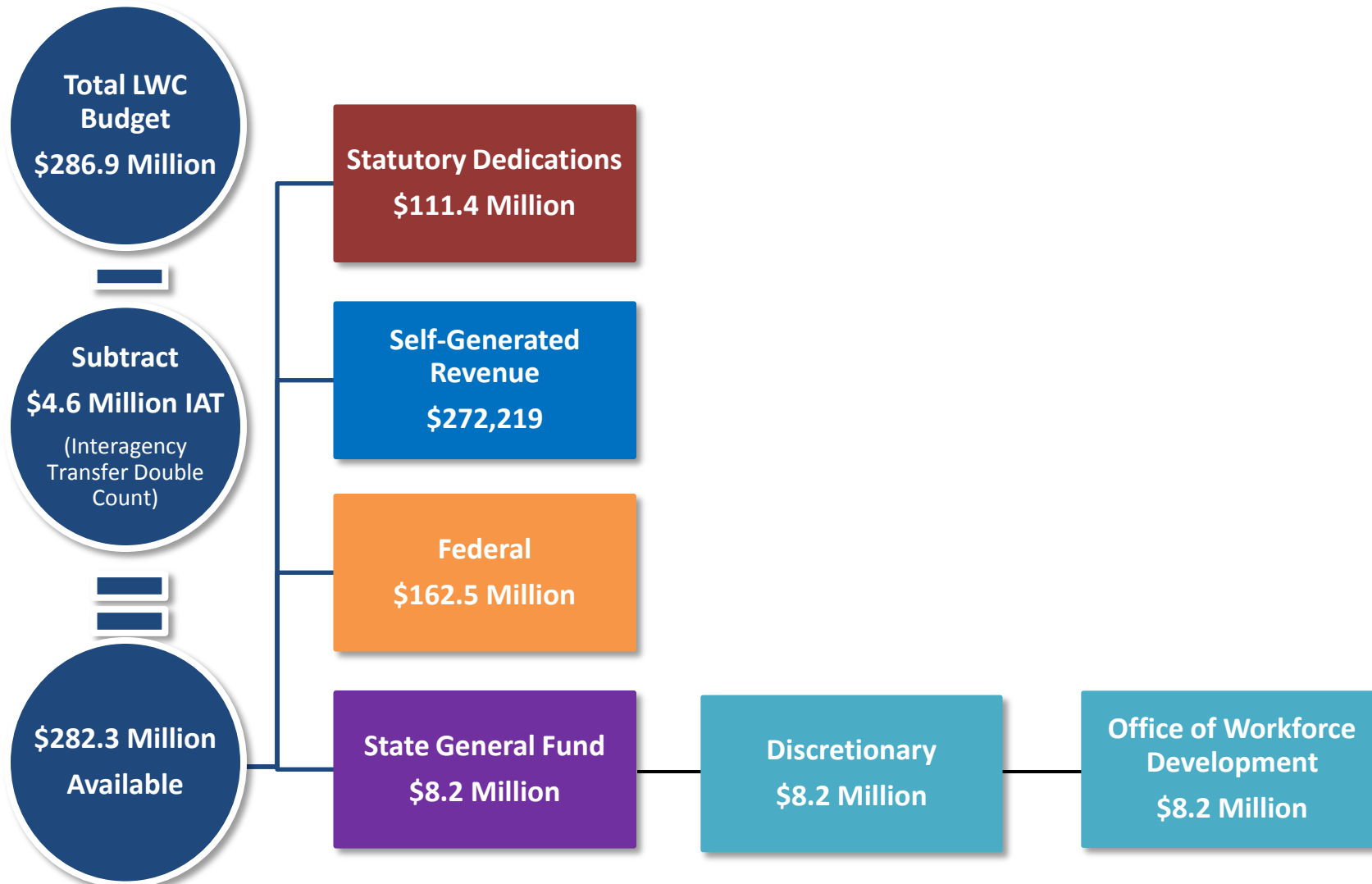
(\$6.6 M)
Federal



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





Salaries and Positions

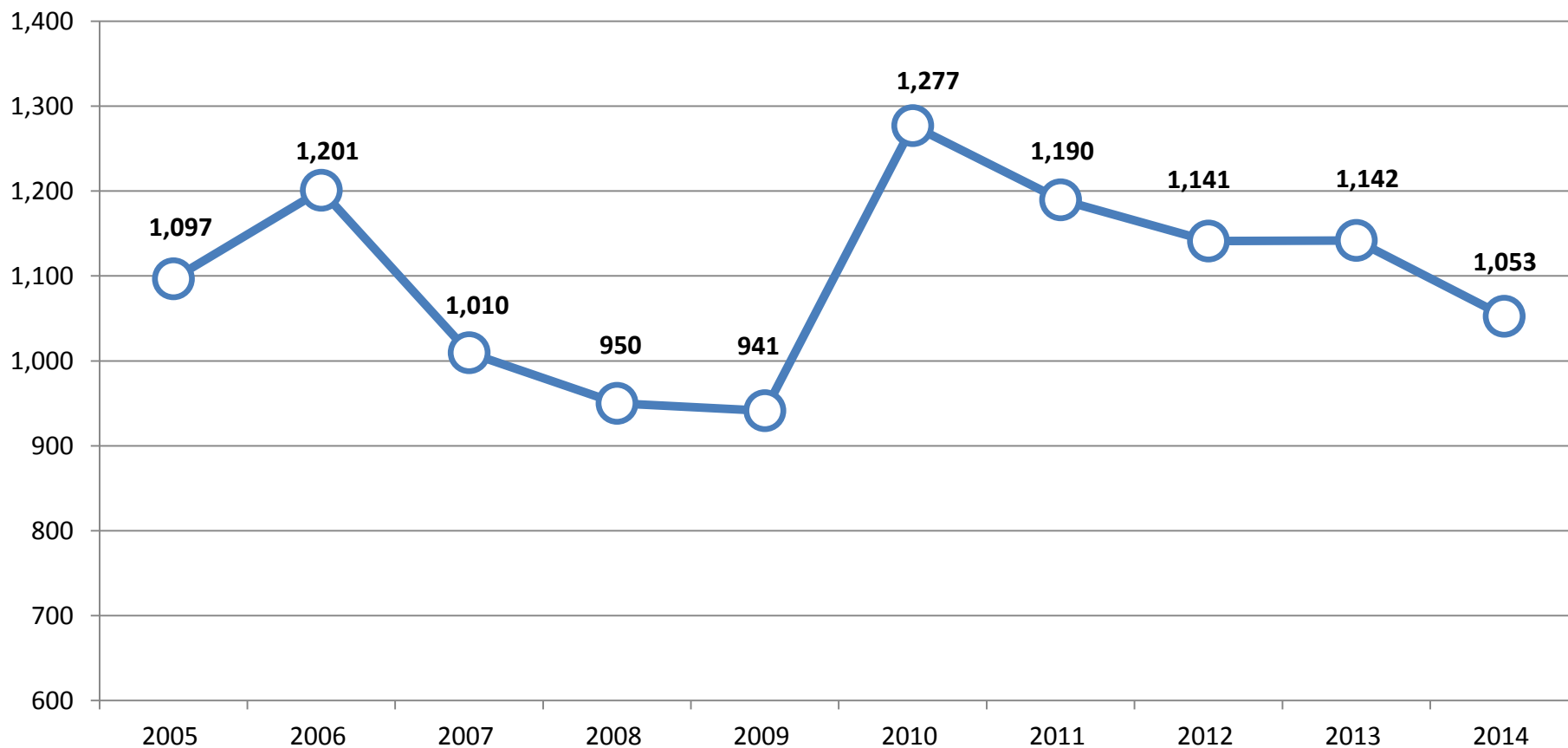
FY 15-16 SALARIES/POSITIONS

- \$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

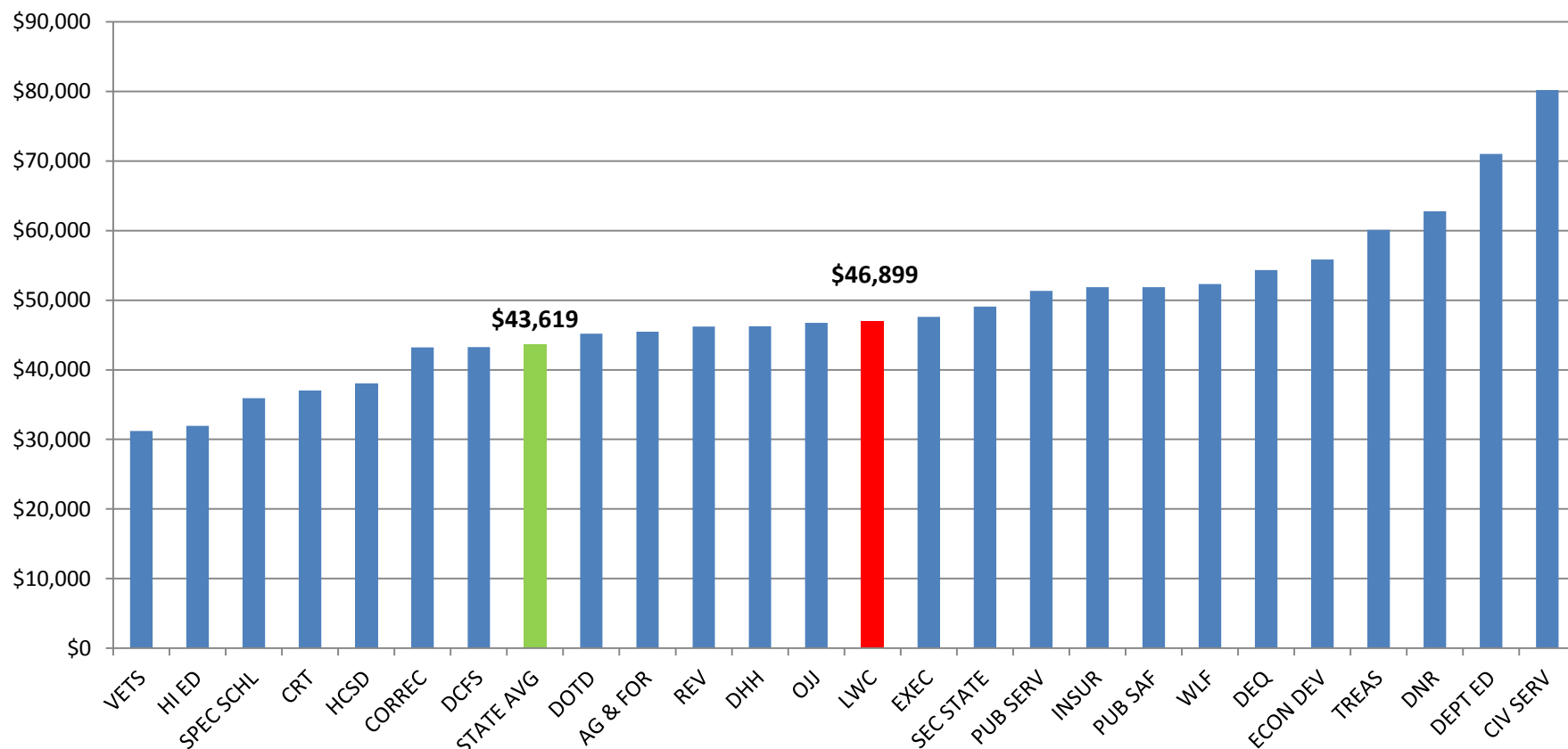


Source: Prepared by House Fiscal Division staff using information from ISIS-HR



Salaries and Positions

FY 14 CLASSIFIED AVERAGE ANNUAL PAY PER FTE

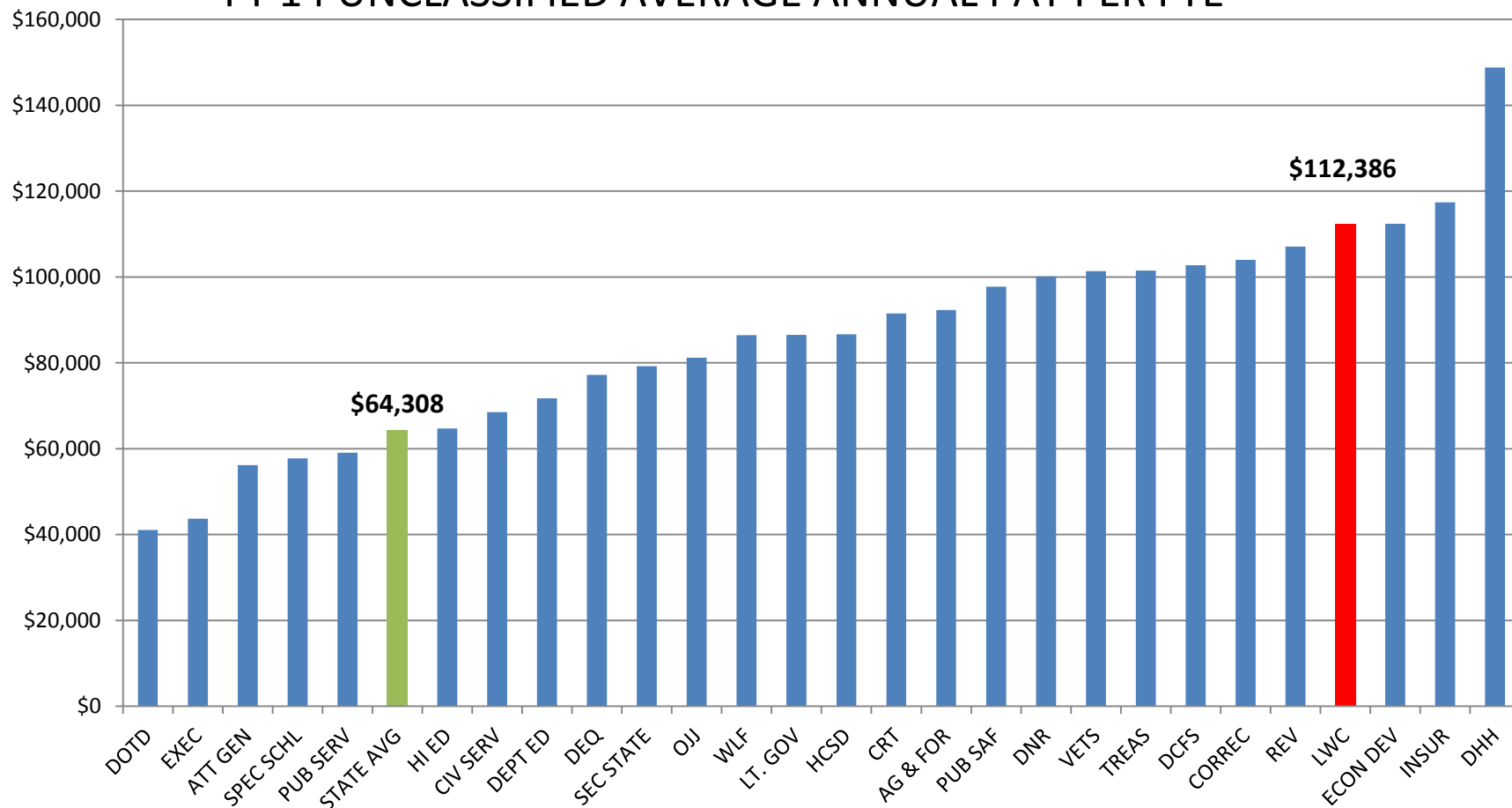


Source: Prepared by House Fiscal Division staff using information from ISIS-HR and Civil Service



Salaries and Positions

FY 14 UNCLASSIFIED AVERAGE ANNUAL PAY PER FTE

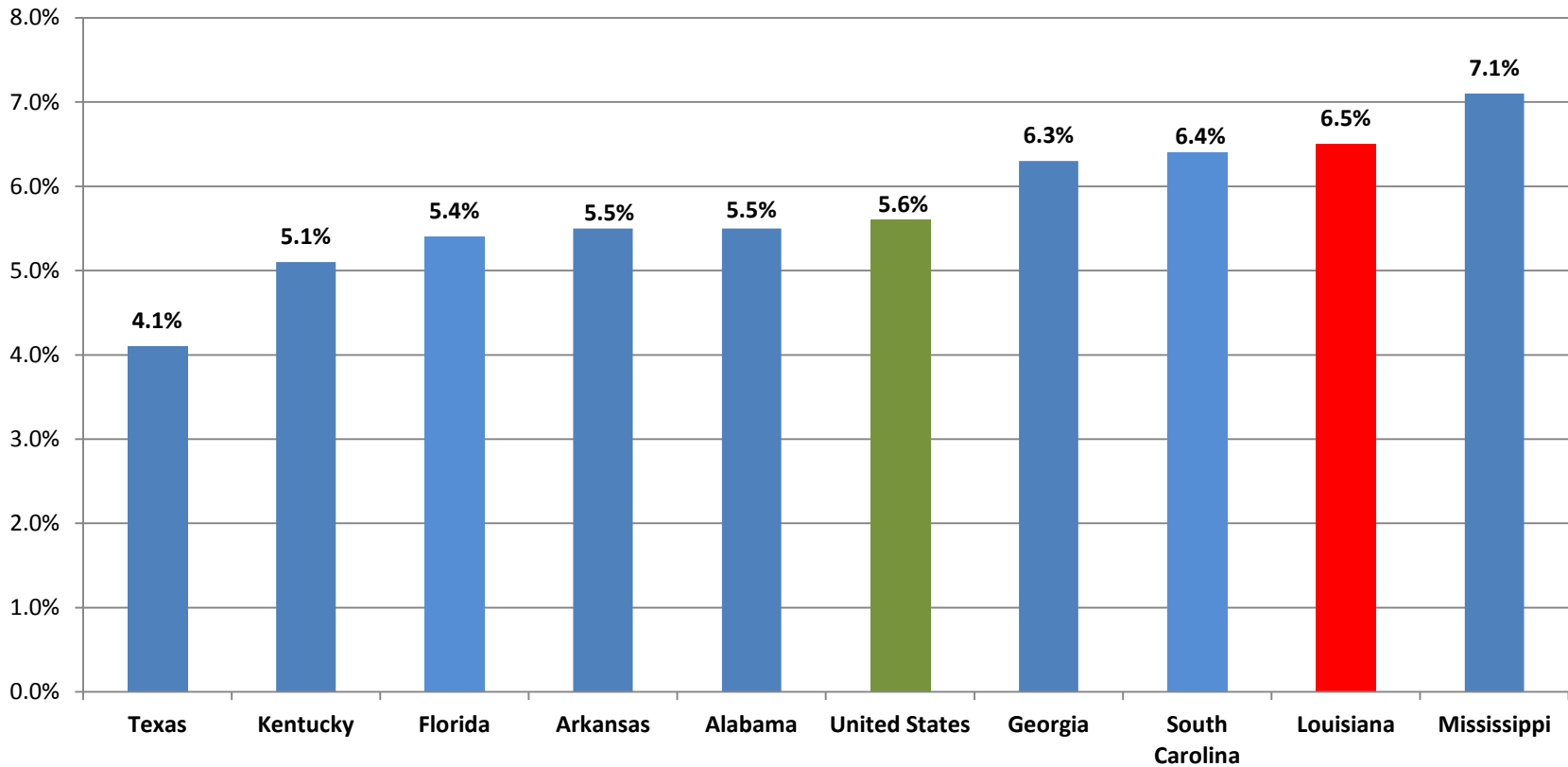


Source: Prepared by House Fiscal Division staff using information from ISIS-HR and Civil Service



State Comparisons

Unemployment Rates (as of December 2014)

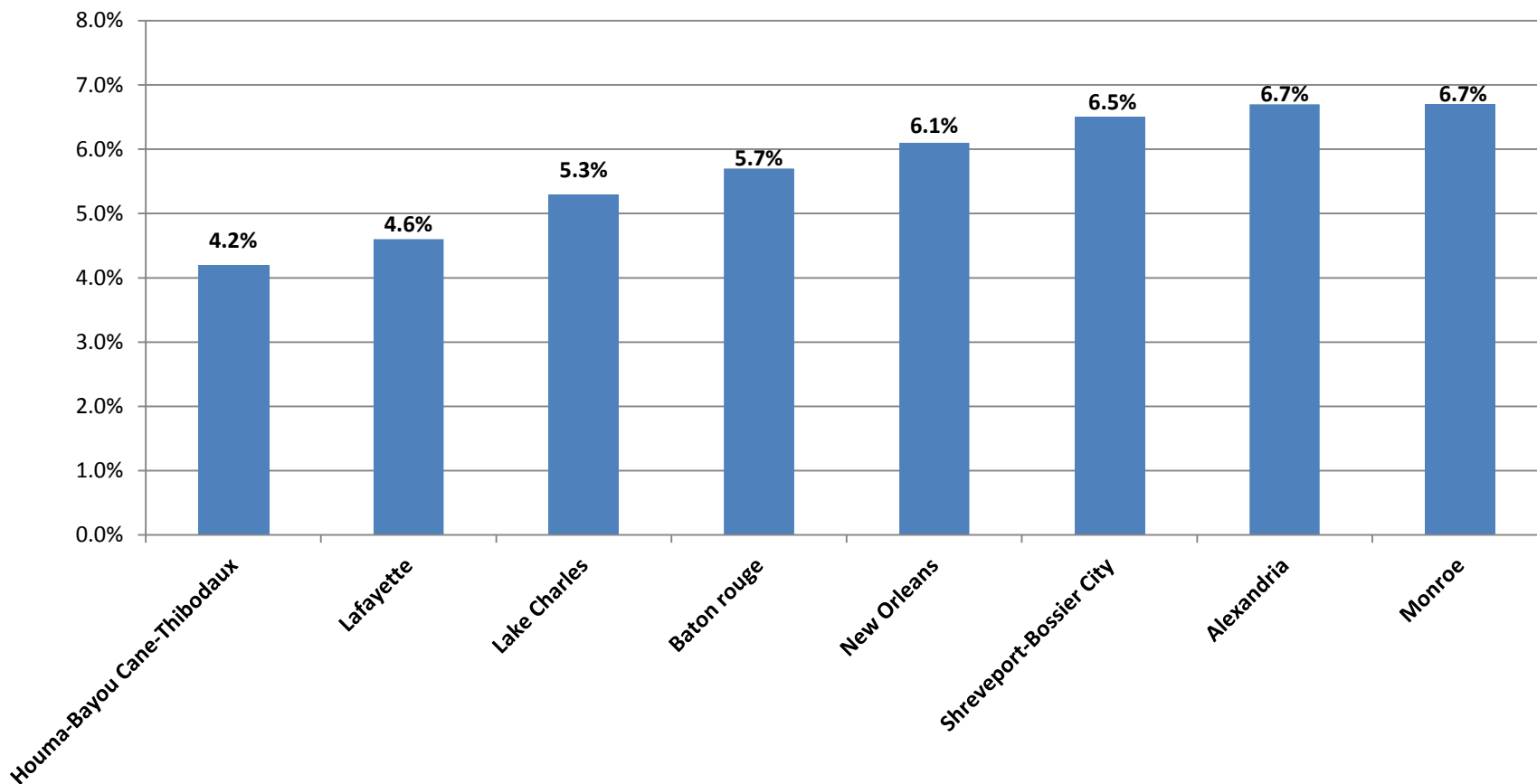


Source: Bureau of Labor Statistics. As of December 2014.



Local Comparisons

Unemployment Rates (as of December 2014)



Source: Bureau of Labor Statistics.



Department Contacts

| TITLE | CONTACT | PHONE NUMBER |
|----------------------------------|------------------|--------------|
| Office of the Executive Director | Curt 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 | Patrick Robinson | 225-342-3110 |
| Office of Workforce Development | Bryan Moore | 225-342-3110 |