

Representative Jerome Zeringue
Chairman



Representative Gary Carter
Vice Chairman

Fiscal Year 21-22 HB1 Budget Review Louisiana Workforce Commission

House Committee on Appropriations
House Fiscal Division

April 19, 2021

Budget Analyst:

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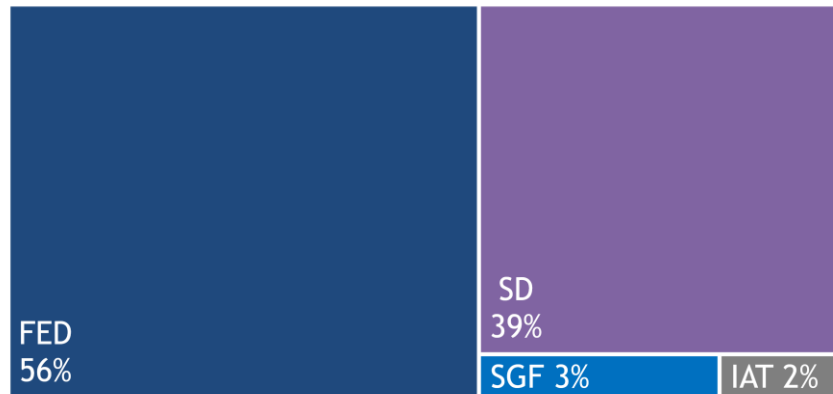
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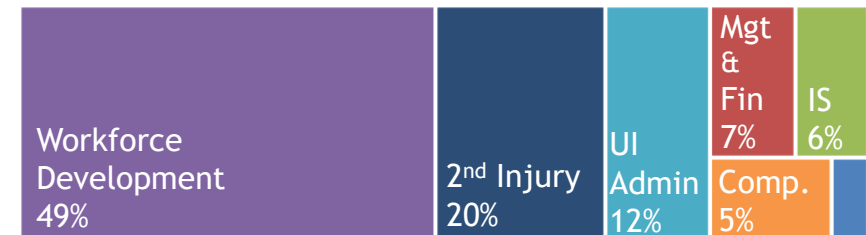
FY22 BUDGET RECOMMENDATION

Total Budget = \$297,266,847

Means of Finance	
State General Fund	\$9,595,933
Interagency Transfers	\$4,800,000
Fees & Self-generated	\$72,219
Statutory Dedications	\$114,894,393
Federal	\$167,904,302
Total	\$297,266,847



Program Breakdown		
	Budget	Positions
Secretary	\$4,523,570	26
Management and Finance	\$19,485,342	71
Information Systems	\$16,632,699	26
Workforce Development	\$145,659,141	408
Unemployment Insurance Adm	\$36,661,151	237
Worker's Compensation Adm	\$14,798,586	130
2nd Injury Board	\$59,506,358	12
Total	\$297,266,847	910



DEPARTMENT ORGANIZATION

Workforce Support and Training

Office of the Secretary

Office of Management and Finance

Support Services

Office of Information Systems

Labor Statistics

Office of Workforce Development

Administration
Business Services
Job Seeker Services
Customized Training
Community Services Block Grant (CSBG)
Youth Worker Protection
Vocational Rehabilitation Services
Randolph Sheppard Business Enterprise
Independent Living

Office of Unemployment Insurance Administration

Unemployment Benefit Payments
Unemployment Insurance Taxes

Office of Workers' Compensation Administration

Fraud and Compliance
Hearings
Occupational Safety and Health (OSHA)

Office of the 2nd Injury Board

Administration of the 2nd Injury Board

DEPARTMENT OVERVIEW

Office of the Secretary

- Provides leadership and administrative services to ensure all unemployment insurance and worker's compensation processes are efficient and customer friendly.
- Works to increase public awareness of the department's resources.

Office of Management and Finance

- Performs activities as it relates to budgeting, accounting, and procurement.

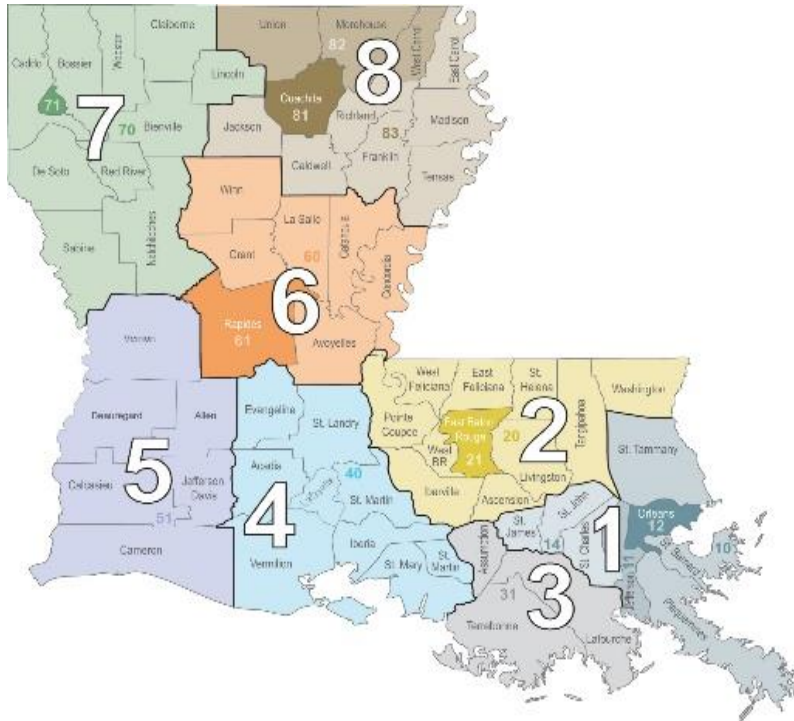
Office of Information Systems

- Collects and disseminates timely and accurate labor market and economic data.
- Administers and provides assistance for the Occupation Information System.



DEPARTMENT OVERVIEW

Workforce Investment Areas



Office of Workforce Development

Administration

- Receives federal Community Services and Community Services Block Grants and re-allocates funds across the state to the 8 Workforce Investment Areas, as seen on the picture on the side.

Business Services

- Provides tailored workforce solutions that focus on the unique needs of specific companies, industry sectors, and occupations.

Job Seeker Services

- Provides job placement and training services to adults, dislocated workers, and youth.

DEPARTMENT OVERVIEW

Office of Workforce Development

Customized Training

- Provides funds for Louisiana businesses to partner with Louisiana-based training providers to deliver customized training to employees through the Incumbent Worker Training Program (IWTP).

Community Services Block Grant (CSBG)

- Provides funding to 42 community action agencies in rural and urban communities throughout the state to assist low-income individuals and families.

Youth Worker Protection

- Provides services and assistance to businesses and job seekers as well as oversight and compliance audits relative to statutory requirements related to Louisiana's minor labor laws, private employment service law and medical exam and drug testing law.

Vocational Rehabilitation Services

- Provides professional/quality outcome-based vocational rehabilitation services on a statewide basis to individuals who have been determined eligible for the Vocational Rehabilitation Program.

Randolph Sheppard Business Enterprise

- Provides entrepreneurial opportunities for consumers who are legally blind to manage their own food service business by giving preference for such operations on federal, state, or municipal properties.

Independent Living

- Enables individuals who have significant disabilities to function more independently in home, work, and community environments, thereby reducing dependency on others for routine activities and community integration.

DEPARTMENT OVERVIEW

Office of Unemployment Insurance

Unemployment Insurance Taxes

- Registers employers, assigns tax rates, and collects taxes from employers determined to be subject under Louisiana Employment Security.
- Performs compliance audits to ensure employers are reporting properly.

Unemployment Benefit Payment

- Provides temporary benefits to those unemployed in Louisiana.
- Funds used to pay benefits come from the Unemployment Insurance Trust Fund financed by Unemployment Insurance taxes.
- Responsible for determination of monetary entitlement and weekly eligibility verification.



DEPARTMENT OVERVIEW

Office of Workers Compensation Administration

Fraud & Compliance

- Responsible for investigating fraudulent activity by any party affiliated with the Workers' Compensation System.

Hearings

- Conducts hearings on claims for benefits or other relief under the Workers' Compensation Act to reach a mutually agreeable level of compensation for the injured worker.

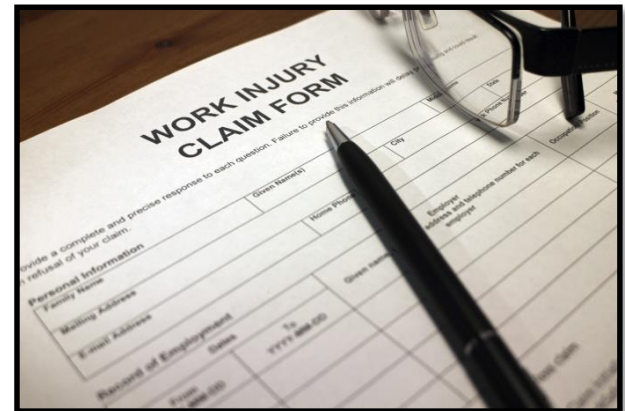
Occupational Safety and Health Act (OSHA)

- Provides consultation, regulation, enforcement, and educational information to employers regarding the state and OSHA guidelines for safe work environments.

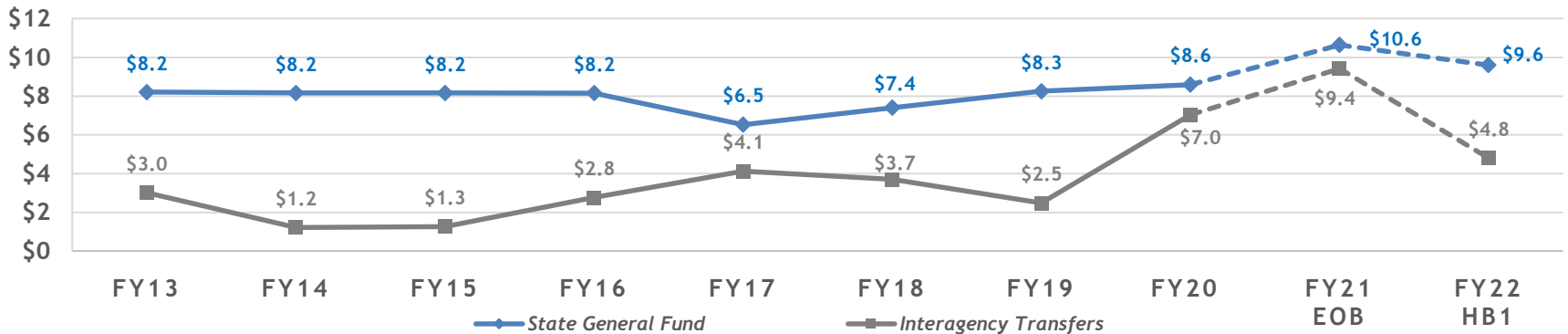
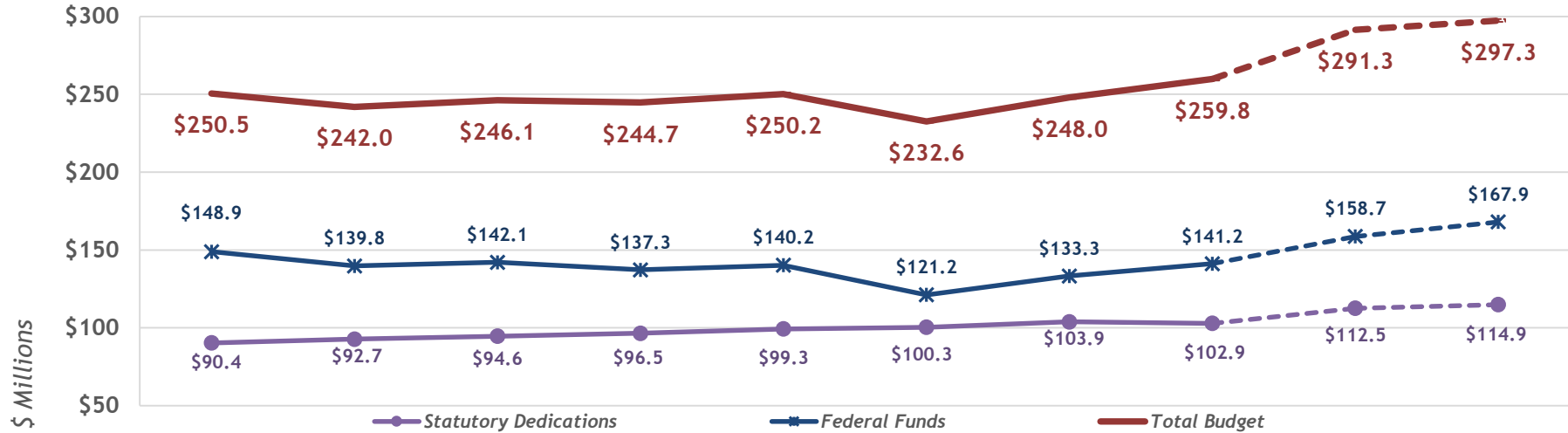
Office of the 2nd Injury Board

Administration of the 2nd Injury Board

- Encourages the employment and retention of disabled workers by covering the costs for workers' compensation benefits for those employees.
- This protects an employer's group self-insurance funds or property and casualty insurers from excess liability for workers' compensation. Investigates claims under this program.



HISTORICAL SPENDING



Source: Office of Planning and Budget - Budget Supporting Documents; and HB1 of the 2021 Regular Session

FY20 UNSPENT AUTHORITY

	End of Fiscal Year Budget	Actual Amount Spent	Unspent Budget Authority	Unspent Authority %	Unspent % by MOF
SGF	\$8,595,933	\$8,595,933	\$0	0.0%	0.0%
IAT	\$7,847,352	\$7,033,880	\$813,472	10.4%	2.8%
FSGR	\$272,219	\$66,107	\$206,112	75.7%	0.7%
Stat Ded	\$112,822,909	\$102,890,554	\$9,932,355	8.8%	33.6%
Federal	\$159,788,188	\$141,177,003	\$18,611,185	11.6%	63.0%
FY20 Total	\$289,326,601	\$259,763,477	\$29,563,124	10.2%	100.0%

Historical Total Unspent Authority for Comparison

	End of Fiscal Year Budget	Actual Amount Spent	Unspent Budget Authority	Unspent %
FY19 Total	\$288,273,138	\$247,952,550	\$40,320,588	14.0%
FY18 Total	\$290,488,041	\$232,616,780	\$57,871,261	19.9%
3 Year Avg.	\$289,362,593	\$246,777,602	\$42,584,991	14.7%

FY20 UNSPENT AUTHORITY

Did department collect all revenue budgeted?

	Final Budget <i>(w/o FY21 carryfwd)</i>	Actual Revenue Collections	Uncollected Revenue
SGF	\$8,595,933	\$8,595,933	\$0
IAT	\$7,847,352	\$7,033,881	(\$813,471)
FSGR	\$272,219	\$66,107	(\$206,112)
SD	\$112,822,909	\$107,601,220	(\$5,221,689)
FED	\$159,788,188	\$140,667,383	(\$19,120,805)
FY20 Total	\$289,326,601	\$263,964,524	(\$25,362,077)

FY19 Total	\$288,273,138	\$248,675,207	(\$39,597,931)
FY18 Total	\$290,488,041	\$235,516,771	(\$54,971,270)
3 Year Avg.	\$289,362,593	\$249,385,501	(\$39,977,093)

The department collected \$25.4 million less than the FY20 budget. The majority of excess budget authority over collections was in federal funds and statutory dedications.

Did department spend all collections?

	Actual Revenue Collections	Actual Expenditures	Unspent Revenue
SGF	\$8,595,933	\$8,595,933	\$0
IAT	\$7,033,881	\$7,033,880	(\$1)
FSGR	\$66,107	\$66,107	\$0
SD	\$107,601,220	\$102,890,554	(\$4,710,666)
FED	\$140,667,383	\$141,177,003	\$509,620
FY20 Total	\$263,964,524	\$259,763,477	(\$4,201,047)

FY19 Total	\$248,675,207	\$247,952,550	(\$722,657)
FY18 Total	\$235,516,771	\$232,616,780	(\$2,899,991)
3 Year Avg.	\$249,385,501	\$246,777,602	(\$2,607,899)

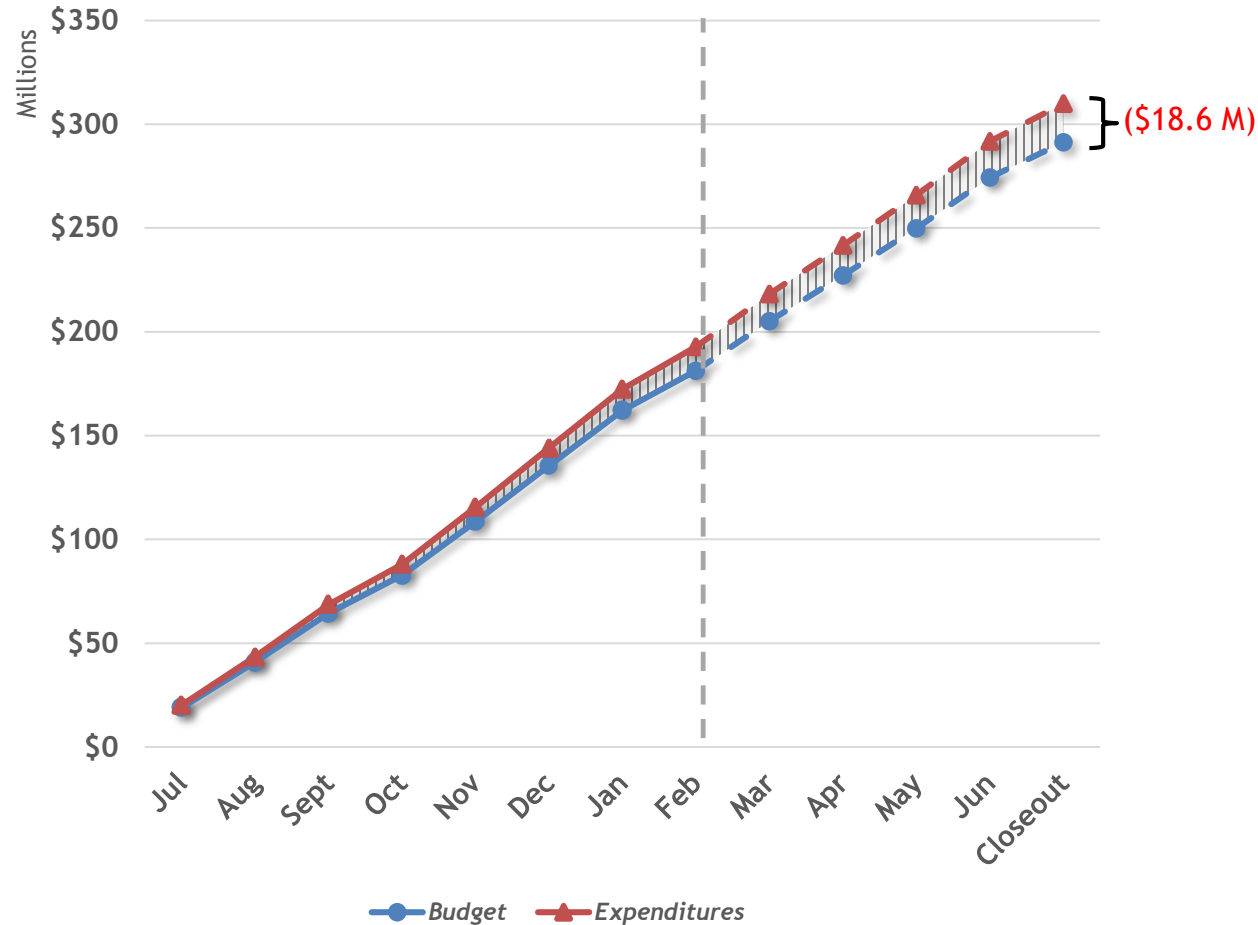
The department collected \$4.2 million more than was spent. \$4.7 million remained unspent in statutory dedications, most of these excess collections being in the Workers' Compensation Second Injury Fund.

FY21 CURRENT EXPENDITURE TREND

Approximately \$310 million (106.4%) from all means of finance could be spent based on actual spending patterns through February and projections through the remainder of the fiscal year. Projections indicate the department could overspend by approximately \$18.6 million if the current expenditure pattern remains unchanged.

The largest drivers of this projected budget spending can be attributed to overspending in Other Charges within the Office of Workforce Development and Office of Management and Finance.

In FY20, the department spent 89.8% of its total budget comparing its end of year budget and actual expenditures while factoring out funding carried over into FY21.



Source: State of Louisiana - AFS Statewide Accounting System; Division of Administration

SOURCES OF FUNDING

Interagency Transfers \$4.8M

IAT is from the Department of Children and Family Services for Jobs for America's Graduates (JAG).

Self-generated Revenue \$72,219

Donations to Vocational Rehabilitation Services in the Office of Workforce Development to be used as state match for federal dollars.

Federal Funds \$167.9M

Employment Security Grants under the Social Security Act

Employment and Training Grants

Workforce Innovation and Opportunity Act

Occupational Safety Statistical Grant

Statutory Dedications \$114.9M

- **\$60.7M**
Workers' Compensation Second Injury Fund
- **\$25.8M**
Incumbent Worker Training Account
- **\$17.3**
Office of Workers' Compensation Administrative Fund
- **\$4.5M**
Penalty and Interest Account
- **\$4.0M**
Employment Security Administration Account
- **\$2.0M**
Overcollections Fund
- **\$540,838**
Blind Vendors Trust Fund

FY22 STATUTORY DEDICATIONS

Fund Name	FY22 HB1	Funding Source	Use
Workers' Compensation Second Injury Fund	\$60,739,125	(RS 23:1371) - Insurance fees	Cases of workers' compensation that result from a subsequent, secondary injury
Incumbent Worker Training Account	\$25,765,106	(RS 23:1514) - Unemployment charges on employers	Incumbent Worker Training Program for businesses that incur UI tax liability
Workers' Compensation Administration Fund	\$17,329,190	(RS 23:1310.11) - Fees from workers' compensation disputes	Administering Workers' Compensation
Penalty and Interest Account	\$4,500,134	(RS 23:1513) - Funds from fines and penalties incurred by businesses	To pay for the cost and fees of collecting monies owed by delinquent businesses and administer labor laws pertaining to apprenticeship, minors, medical, private employment, and individuals' rights
Employment Security Administration Account	\$4,000,000	(RS 23:1515) - Unemployment charges on employers	Personnel costs for UI and employment security functions such as auditing, overpayment recovery, appeals disposition, remittance processing, and related activities
Overcollections Fund	\$2,020,000	(RS 39:100.21) - Appropriation from legislature	General use
Blind Vendors Trust Fund	\$540,838	(RS 23:3043) - Funds from vending stands, machines, cafeterias, and other small business concessions located on state, federal, and similar properties, pursuant to the federal Randolph-Sheppard Act	To establish and maintain related benefits for blind vendors, assists in purchasing and maintaining vendor equipment, securing fair returns, and other eligible Randolph-Sheppard Act expenses

FY22 FUNDING COMPARISON

Means of Finance	FY20 Actual Expenditures	FY21 Existing Operating Budget 12/1/20	FY22 HB1 Budget	Change from Existing Operating Budget to HB1		Change from Actual Expenditures to HB1	
SGF	\$8,595,933	\$10,645,933	\$9,595,933	(\$1,050,000)	(9.9%)	\$1,000,000	11.6%
IAT	\$7,033,880	\$9,421,933	\$4,800,000	(\$4,621,933)	(49.1%)	(\$2,233,880)	(31.8%)
FSGR	\$66,107	\$72,219	\$72,219	\$0	0.0%	\$6,112	9.2%
Stat Ded	\$102,890,554	\$112,523,758	\$114,894,393	\$2,370,635	2.1%	\$12,003,839	11.7%
Federal	\$141,177,003	\$158,678,725	\$167,904,302	\$9,225,577	5.8%	\$26,727,299	18.9%
Total	\$259,763,477	\$291,342,568	\$297,266,847	\$5,924,279	2.0%	\$37,503,370	14.4%

SIGNIFICANT FUNDING CHANGES

Compared to the FY21 Existing Operating Budget

\$9.2 M - Federal Funds

\$7.5 M Increased funding from the CARES Act for the Office of Unemployment Insurance Administration

\$1.7 M Increase in federal authority from the Social Security Act to cover anticipated expenses

\$2.4 M - Statutory Dedications

\$2.0 M Funding from the Overcollections Fund to pay for interest on the UI Trust Fund

\$350,635 Net increase in stat ded authority by utilizing fund balances

(\$4.6 M) - Interagency Transfers

(\$4.1 M) Removes funding from GOHSEP for hurricane-related FEMA expenses in FY21

(\$499,209) Reduces funding from DCFS used by the Office of Workforce Development due to excess authority and DCFS's administration of Louisiana Job and Employment Training services

(\$1.1 M) - State General Fund

(\$1.1 M) Reduces one-time funding for cybersecurity and workforce development

FEDERAL RELIEF FUNDING

COVID-19

\$23.4 M

Funding from the CARES Act during FY21 to the Office of Unemployment Insurance Administration to pay for UI call centers and related phone bills.

\$21.4 M

Funding from the CARES Act during FY21 to the Office of Workforce Development for Louisiana Rehabilitative Services, Community Services Block Grant, Jobs for America's Graduates, Adults, Youth, and Dislocated Workers Assistance.

\$7.5 M

Funding from the CARES Act in FY22 to the Office of Unemployment Insurance Administration due to an increase in the Emergency UI Admin Funding and Above Base Allocation to pay for private call centers, fraud detection and prevention, and IT for the HIRE system.

Roughly \$8 B in funds from the U.S. Department of Labor during FY20-FY22 for UI benefits such as: Federal Pandemic Unemployment Compensation (FPUC), Pandemic Emergency Unemployment Compensation (PEUC), and Pandemic Unemployment Assistance (PUA), as well as state interest-free trust fund borrowing through September and reimbursements to waive the benefits waiting week.

Hurricanes

\$3.6 M

Funding from FEMA to feed victims displaced by Hurricane Laura in FY21.

\$547,724

Funding from FEMA to feed victims displaced by Hurricane Delta in FY21.

EXPENDITURE HISTORY

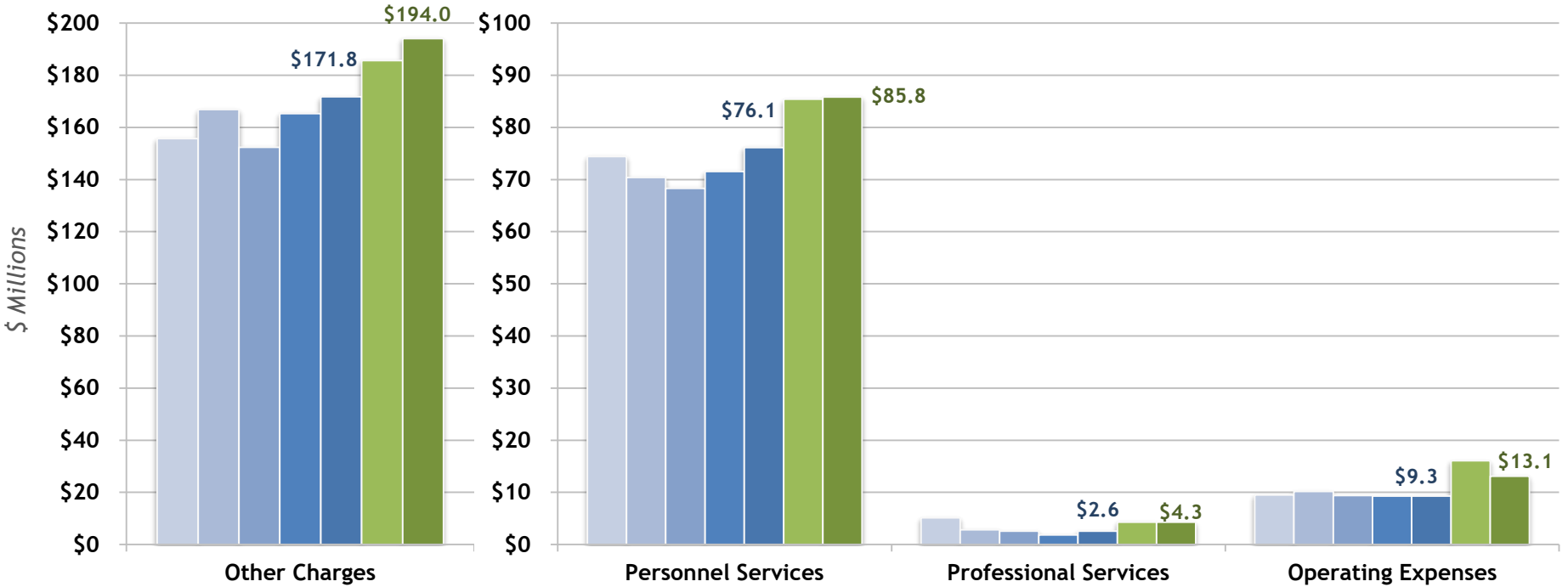
Actual

Budgeted Amount

Fiscal Year

2016 2017 2018 2019 2020

2021 EOB 2022 HB1



Source: Office of Planning and Budget - Executive and Proposed Budget Supporting Documents

FY22 EXPENDITURE COMPARISON

Expenditure Category	FY20 Actual Expenditures	FY21 Existing Operating Budget 12/1/20	FY22 HB1 Budget	Change from Existing Operating Budget to HB1		Change from Actual Expenditures to HB1	
Salaries	\$43,365,053	\$48,242,732	\$48,805,141	\$562,409	1.2%	\$5,440,088	12.5%
Other Compensation	\$3,061,104	\$2,791,339	\$2,791,339	\$0	0.0%	(\$269,765)	(8.8%)
Related Benefits	\$29,678,620	\$34,384,689	\$34,242,790	(\$141,899)	(0.4%)	\$4,564,170	15.4%
Travel	\$646,673	\$940,165	\$940,165	\$0	0.0%	\$293,492	45.4%
Operating Services	\$8,235,965	\$14,224,713	\$11,297,289	(\$2,927,424)	(20.6%)	\$3,061,324	37.2%
Supplies	\$425,626	\$881,734	\$881,734	\$0	0.0%	\$456,108	107.2%
Professional Services	\$2,558,703	\$4,265,410	\$4,265,410	\$0	0.0%	\$1,706,707	66.7%
Other Charges/IAT	\$171,791,733	\$185,611,786	\$194,042,979	\$8,431,193	4.5%	\$22,251,246	13.0%
Acq/Major Repairs	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
Total	\$259,763,477	\$291,342,568	\$297,266,847	\$5,924,279	2.0%	\$37,503,370	14.4%

Source: Office of Planning and Budget - Budget Supporting Documents and HB1 of the 2021 Regular Session

SIGNIFICANT EXPENDITURE CHANGES

Compared to the FY21 Existing Operating Budget

\$8.4 M - Other Charges/Interagency Transfer

\$7.5 M	Private call centers, fraud detection/prevention, and technology for HIRE system due to COVID-19
\$4.5 M	Payments to the Office of Technology Services (represents a \$1.6 M net increase coupled with a \$2.9 M re-categorization from Operating Expenses)
(\$4.1 M)	Removes funding from GOHSEP to feed victims displaced by Hurricanes Laura and Delta
\$2.0 M	Interest payment on federal Title XII borrowing for the Unemployment Insurance Trust Fund
(\$1.1 M)	Removes one-time funding to cybersecurity and workforce development
(\$499,209)	Removes funding due to DCFS administering Louisiana Job Employment and Training Services
\$63,818	Increase in payments for the Legislative Auditor, Rent and Maintenance in State-owned Buildings, Treasury, and other state agencies
(\$20,623)	Reductions in payments to state agencies such as Risk Management, Civil Service, and State Procurement

SIGNIFICANT EXPENDITURE CHANGES

Compared to the FY21 Existing Operating Budget

\$420,510 - Personnel Services

\$2.9 M Increase standard statewide budget adjustments such as Salary Base and Group Insurance Rates

(\$2.5 M) Decrease standard statewide budget adjustments such as Retirement Rate and Attrition

(\$2.9 M) - Operating Expenses

(\$2.9 M) Payments to Office of Technology Services being re-categorized as Other Charges

OTHER CHARGES DETAIL

Other Charges

Amount	Description
\$58,279,109	Worker's comp reimbursements to insurance carriers
\$48,040,351	Pass-through grants for workforce E&T
\$28,997,242	Vocational Rehabilitation
\$22,723,490	Training grants for IWTP
\$7,500,000	Additional funding for UI administrative expenses such as call centers, et al.
\$6,400,000	Jobs for America's Graduates administration and grants to local agencies
\$2,020,000	UI Trust Fund borrowing - interest payment
\$1,459,249	Continued support for HIRE system
\$538,395	Assistance for visually impaired
\$326,824	Independent Living Services Part B Grant
\$279,424	Security/ Janitorial Services
\$206,877	Online hosting services and outsourcing
\$154,015	Outreach and recruitment
\$150,000	Worker's comp - administration; updating fee schedule
\$177,074,976	Total Other Charges

Interagency Transfers

Amount	Description
\$13,537,213	Office of Technology Services
\$874,965	Office of Risk Management
\$931,239	Rent and maintenance in State-owned Buildings
\$632,645	Legislative Auditor fees
\$296,060	Civil Service Fees & Comprehensive Public Training Program Fees
\$160,185	DOJ - Attorney General, legal services
\$150,000	Louisiana Military Department - Youth Challenge Program
\$110,993	Governor's Office of Disability Affairs
\$103,057	Capitol Police Fees
\$61,720	Office of State Procurement
\$57,213	Uniform Payroll System Fees
\$27,713	Treasury Fees
\$25,000	Office of the Governor - Children's Cabinet
\$16,968,003	Total Interagency Transfers

DISCRETIONARY EXPENSES

**Total Budget
\$297.3 Million**

State General Fund
\$9.6 Million

Interagency
Transfers
\$4.8 Million

Self-generated
Revenue
\$72,219 Thousand

Statutory Dedications
\$114.9 Million

Federal Funds
\$167.9 Million

Non-discretionary
\$5.2 M

Discretionary
\$109.7 M

State Retirement Systems Unfunded
Accrued Liability
\$3.7 M

Group Insurance Rate for Retirees
\$728,204

Legislative Auditor Fees
\$632,645

Rent in State-owned Buildings
\$185,192

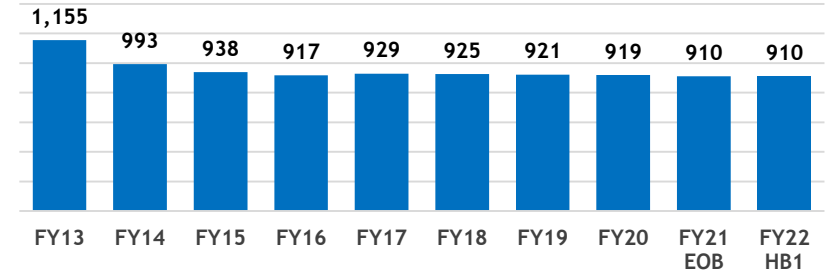
Workforce Support and Training
\$109.7 M

PERSONNEL INFORMATION

FY 2022 Recommended Positions

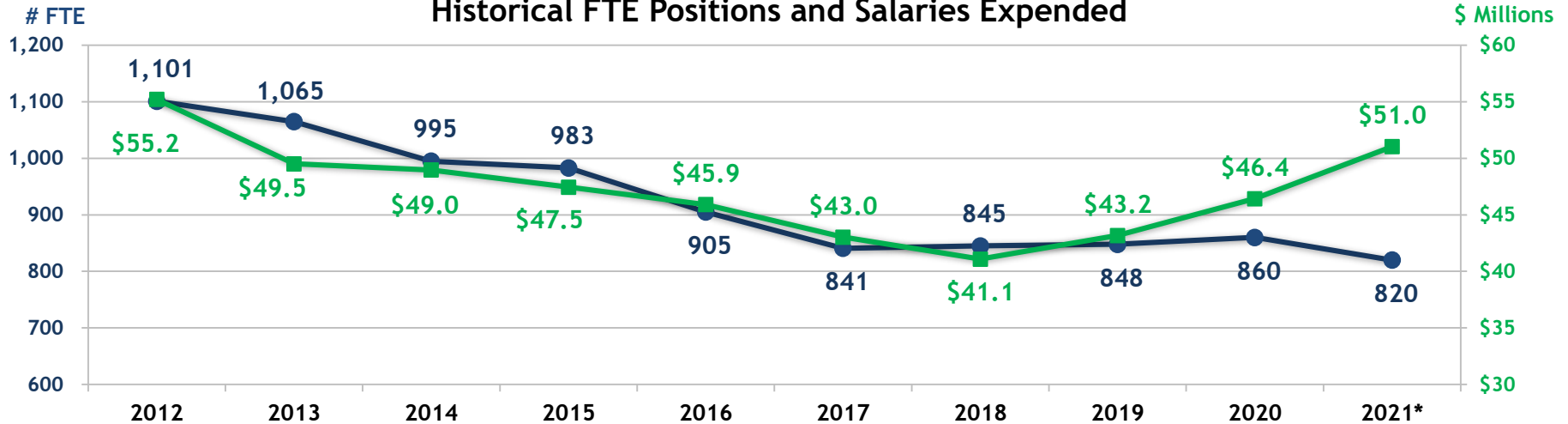
910	Total Authorized T.O. Positions (897 Classified, 13 Unclassified)
0	Authorized Other Charges Positions
141	Non-T.O. FTE Positions
131	Vacant Positions (February 1, 2021)

Historical Authorized T.O. Positions



Source: Office of Planning and Budget - Budget Supporting Documents

Historical FTE Positions and Salaries Expended



Source: Dept. of Civil Service and Budget Supporting Documents

*Existing Operating Budget 12/1/20

LOUISIANA REHABILITATION SERVICES

Funding Source	FY21 Existing Operating Budget	FY22 HB1	Difference
State General Fund	\$7,995,933	\$7,995,933	\$0
Federal Match (\$3.69 for every \$1)	\$29,504,993	\$29,504,993	\$0
Statutory Dedication	\$525,000	\$535,000	\$10,000
Federal Match (\$3.69 for every \$1)	\$1,937,250	\$1,974,150	\$36,900
Donations Utilized as Match	\$72,219	\$72,219	\$0
Federal Match (\$3.69 for every \$1)	\$266,488	\$266,488	\$0
Total State Effort	\$8,593,152	\$8,603,152	\$10,000
Total Federal Match	\$31,708,731	\$31,745,631	\$36,900
Total Funding	\$40,301,883	\$40,348,783	\$46,900

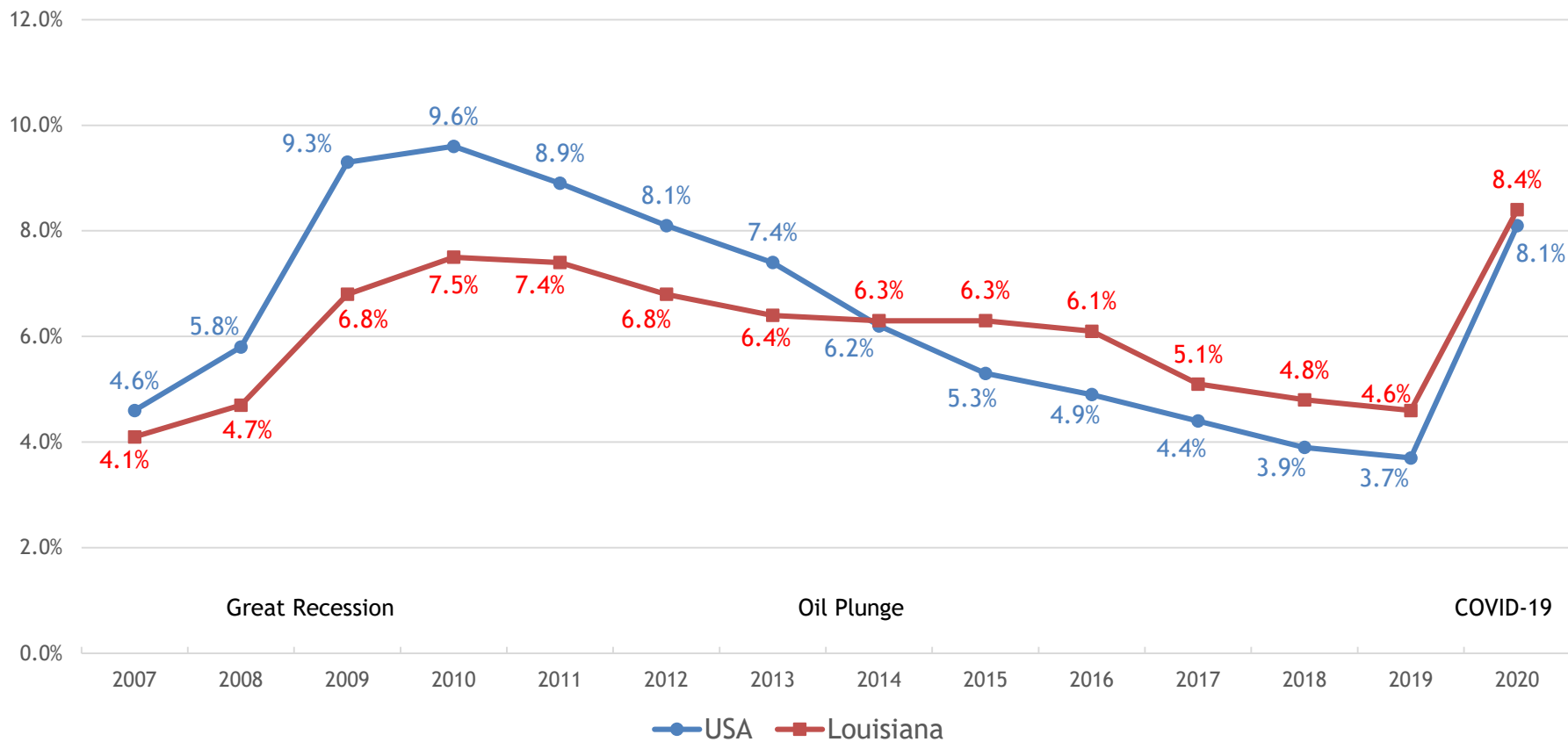
The Louisiana Rehabilitation Services (LRS) Program provides services to those who are disabled in finding and maintaining employment, as well as living independently in their community.

In compliance with the Workforce Innovation and Opportunity Act (WIOA), 15% of Federal Funding received must be set aside for Pre-Employment Transition Services (Pre-ETS), which includes services such as job exploration counseling and workplace readiness training. These services are to be offered to students with disabilities between the ages of 16 to 21.

Funding for this program is dependent on the individualized assessment of needs. Generally, the average cost per participant is \$1,900/person.

When insufficient funding is available for all eligible clients, Federal Law requires that an order of selection be implemented. Clients are then categorized between Category 1 to Category 4, with the first containing the most severely disabled who require the most assistance.

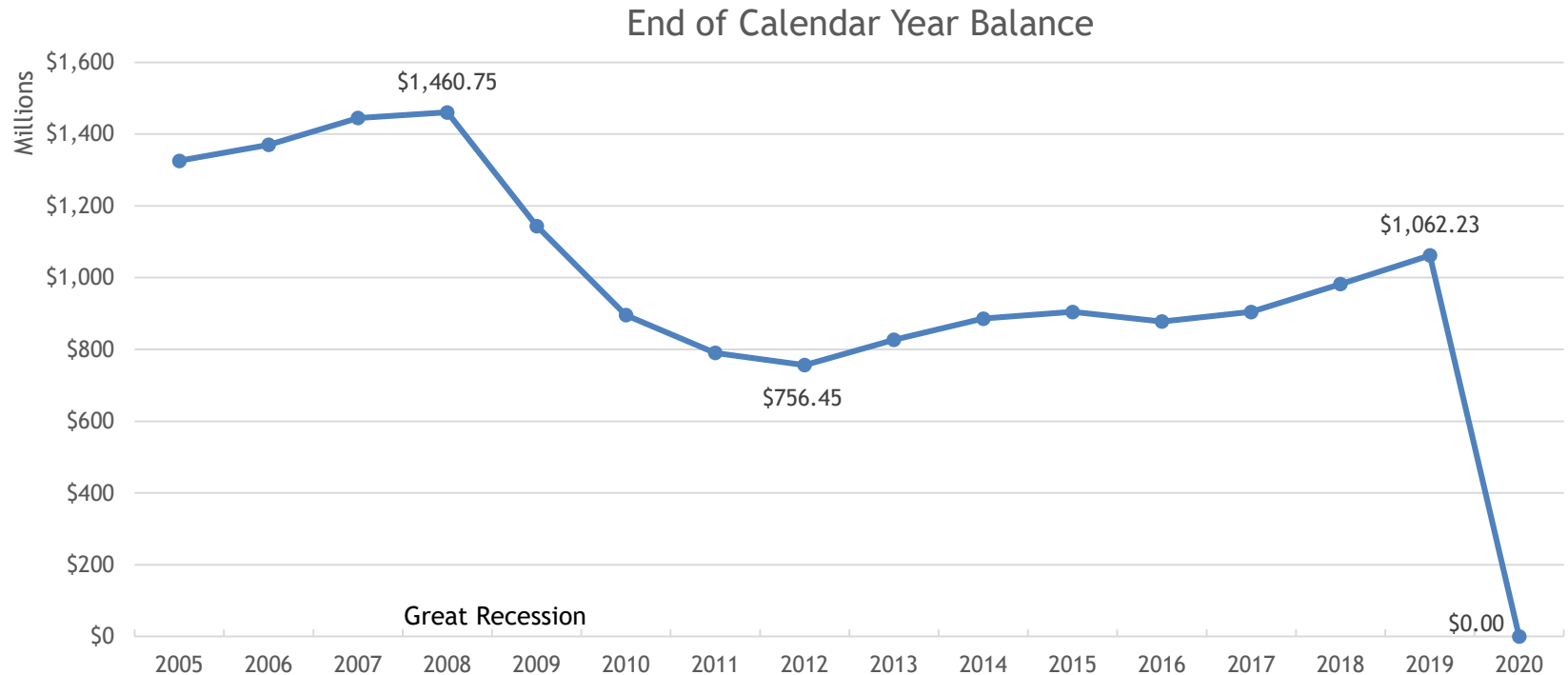
UNEMPLOYMENT RATES BY YEAR



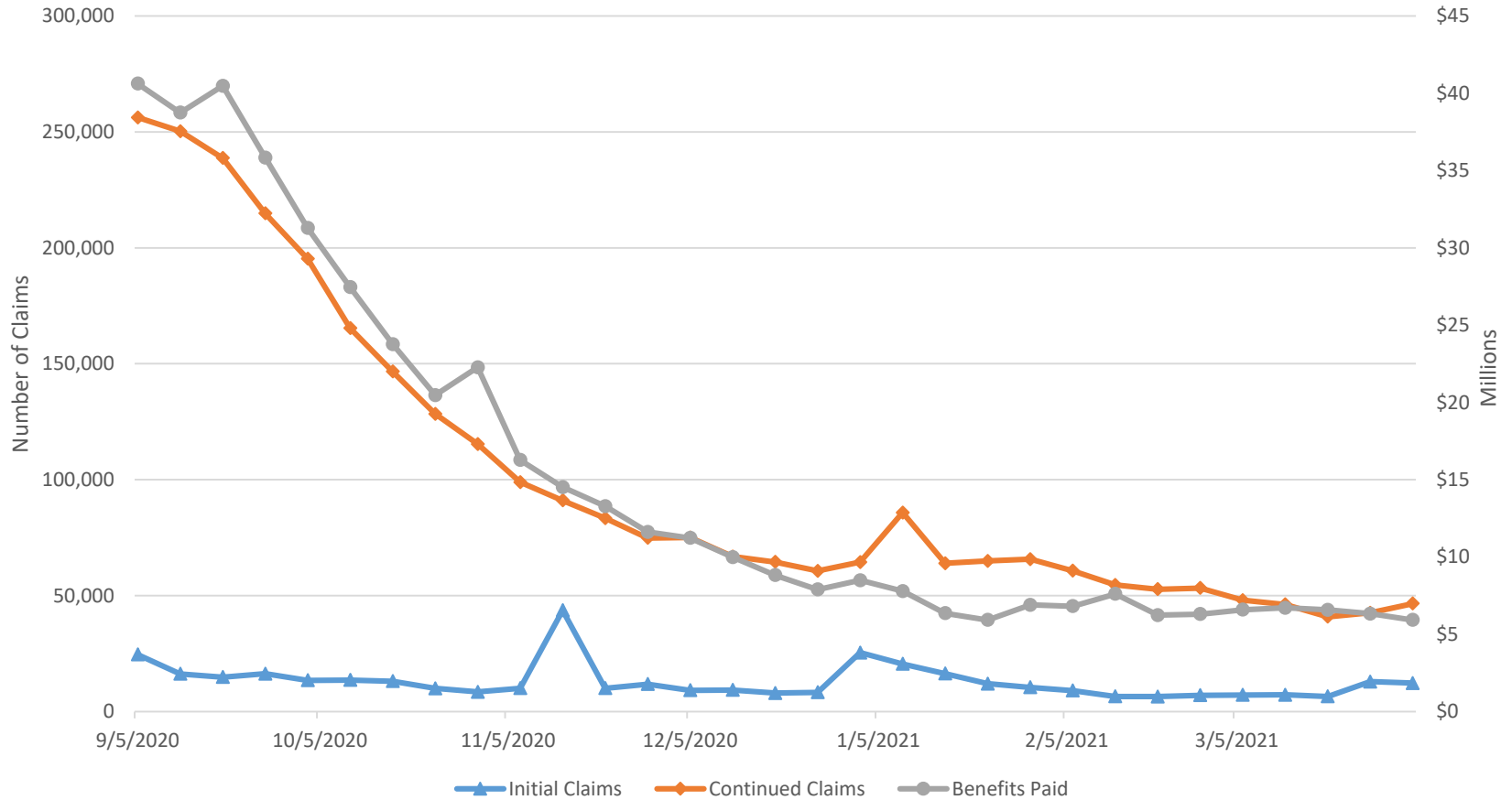
Source: U.S. Department of Labor, Bureau of Labor Statistics

STATE UNEMPLOYMENT INSURANCE TRUST FUND

- The Office of Unemployment Insurance in LWC administers the Unemployment Insurance Trust Fund. Administration is funded by appropriations.
- The Trust Fund is not normally subject to appropriations. Instead, it is usually funded by business taxes.

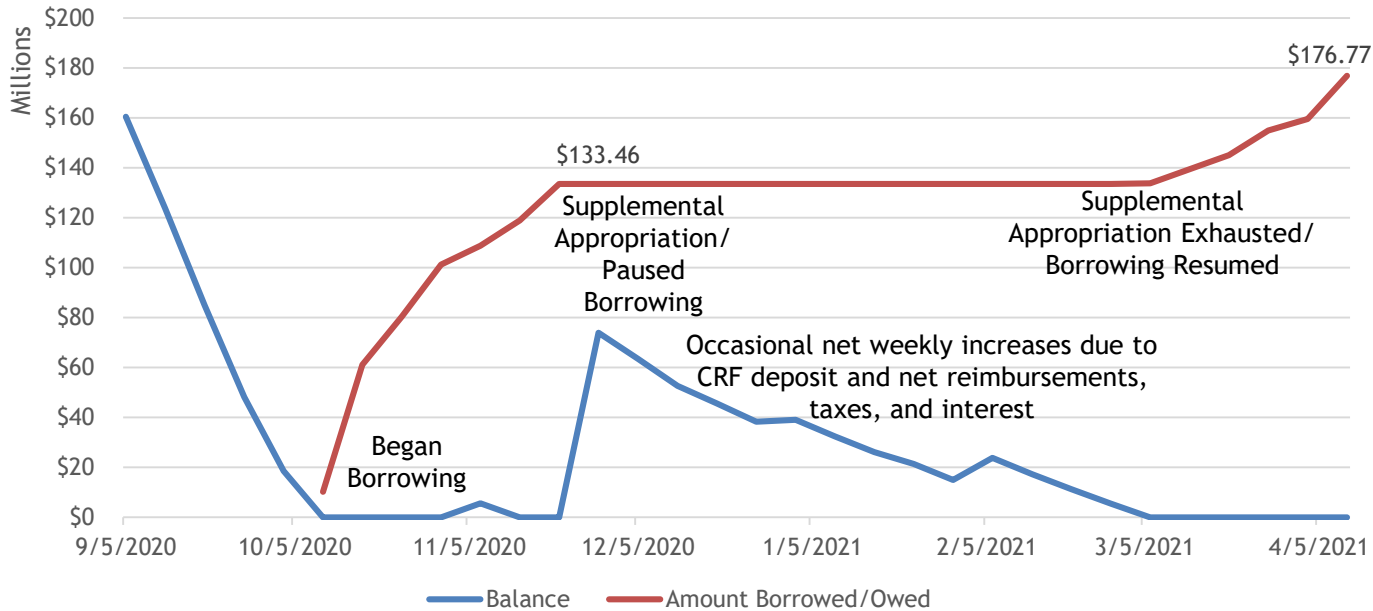


WEEKLY STATE UNEMPLOYMENT CLAIMS



Data begins September 5, when LWC began sending weekly reports to the Legislature

STATE UNEMPLOYMENT TRUST FUND DURING COVID-19



Potential Methods to Pay Back Trust Fund

- 1) Use federal aid or direct/supplemental appropriations
- 2) Bonding
- 3) Allow businesses to pay additional FUTA Tax

- In 2020, LWC anticipated borrowing a total of \$207 million from the federal government.
 - The state borrowed \$176.8 M, as of the week ending April 10.
- Interest-free borrowing was extended until September 6, 2021.
- If principal isn't paid back by January 2022, Federal Unemployment Tax Act (FUTA) on businesses kicks in.
 - Roughly 2¢/employee/hour or \$42/employee/year.
- Quarter 1 of Calendar Year 2021 will bring in revenues. These will be seen during April 2021.

FEDERAL UNEMPLOYMENT TAX ACT

- The Federal Unemployment Tax Act ensures states' UI Trust Funds maintain solvency.
- Employers pay 6.0% tax on first \$7,000 an employee earns each quarter. However, employers in states with positive trust fund balances receive a 5.4% tax credit, thus making their tax rate 0.6%.
- This is important because this tax credit is incrementally reduced by 0.3% each year if principal on UI Trust Fund borrowing isn't paid off. The maximum tax rate after all credit reductions, if principal still remains is 6.0%.

Calendar Year	Employer Tax Rate	Employer Tax Paid Over Current CY21 Amount
2021	0.6%	—
2022	0.9%	2¢/employee/hour — \$42/employee/year
2023	1.2%	4¢/employee/hour — \$84/employee/year
2024	1.5%	6¢/employee/hour — \$106/employee/year
2025	1.9%	8¢/employee/hour — \$148/employee/year
2026	2.2%	10¢/employee/hour — \$148/employee/year
		...
2039	6.0%	36¢/employee/hour — \$756/employee/year

UI TRUST FUND BALANCE TRIGGERS

Projected UI Trust Fund Balance	Taxable Wage Base R.S. 23:1474	Rates R.S. 23:1536	Maximum Weekly Benefit Amount R.S. 23:1474	Projected Tax Collections
Negative	\$8,500	Surtax (F1) Formula based on repayment of debt and interest	\$221	TBD
\$0 to \$100 M	\$8,500	*Solvency Tax (E1) Formula allows for up to 30% over	\$221	\$356,928,000
\$100 M to \$400 M	\$8,500	No 10% discount	\$221	\$274,560,000
\$400 M to \$750 M	\$8,500	1 st 10% discount	\$221	\$249,600,000
\$750 M to \$1.15 B	\$7,700		^\$247	\$208,000,000
\$1.15 B to \$1.4 B	\$7,000		\$258	\$187,200,000
Greater than \$1.4 B	\$7,000	2 nd 10% discount	\$284	\$168,480,000

^Weekly unemployment benefits frozen at \$247 during CY 2021 by Act 40 of 2020 2ES.

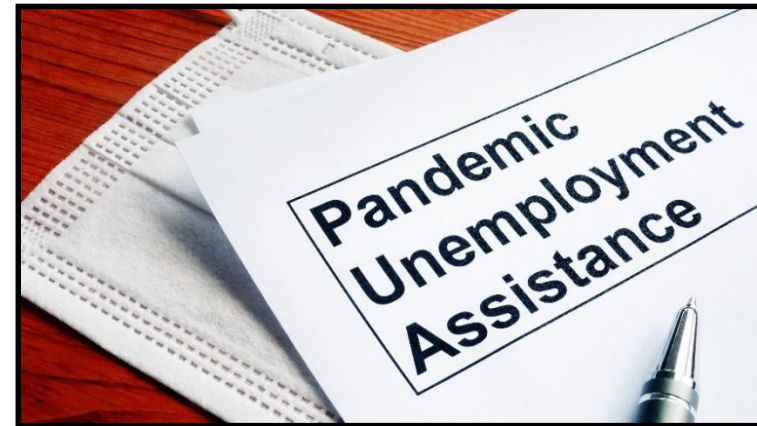
*Solvency Tax suspended until August 9, 2021 by SCR9 of 2020 2ES.

FEDERAL UNEMPLOYMENT PROGRAMS

ARPA funds and extends all these benefits until September 6, 2021

- 1. FPUC—Federal Pandemic Unemployment Compensation:**
Originally a \$600/week “plus-up” for UI beneficiaries that has since been reduced to \$300.
- 2. PEUC—Pandemic Emergency Unemployment Compensation:**
Once a claimant reaches the maximum number of benefit weeks their state allows, 26 in Louisiana, the federal government pays and continues that benefit amount.
- 3. PUA—Pandemic Unemployment Assistance:**
Separate program for “gig” workers who don’t normally qualify for their state’s UI system.
- 4. MEUC—Mixed Earner Unemployment Compensation**
Additional \$100 program for individuals with dual tax filing due to regular employment and earning \$5,000 in self-employment.

- Reimbursements to states that waive their waiting week requirements.
- Financial assistance to verify claim eligibility and prevent PUA fraud.
- Interest-free Fund borrowing to states.



CHANGES IN SOFTWARE AND FRAUD PREVENTION FUNDING

Fiscal Year	Amount	MOF	Program	Reason
Annually, since FY13	\$14,516,762	Fed		Multiple activities: automation and administration of state's UI program such as HIRE and One-Stop System offices, Workforce Investment Boards
FY14	-	Fed	From OWD to OIS	Realignment of \$1M Fed for software maintenance and hardware acquisitions
FY15	\$2,059,644	Fed	OIS	Implement and maintain HIRE System
FY16	(\$350,000)	SD	OWC	Removed funding from a completed fraud detection software project
FY16	\$75,000	Fed	OIS	Final implementation of HIRE system
FY19	(\$1,500,000)	Fed	OIS	Excess authority; due to HIRE delays and not being implemented
FY20	(\$700,000)	Fed	OIS	Excess authority; due to HIRE delays and not being implemented
FY21	(\$500,000)	Fed	OIS	Excess authority; due to HIRE delays and not being implemented
FY21	(\$1,600,000)	Fed	OWD	Decrease in computer supplies and contracts due to department consolidation
FY21	\$1,000,000	SGF	OWD	Cybersecurity and workforce development; IAT to Board of Regents
FY22, Pending	(\$1,000,000)	SGF	OWD	Removing one-time funding
FY22, Pending	\$7,500,000	Fed	UI Admin	Fraud prevention and detection, UI admin; integrated into HIRE.

Source: Office of Planning and Budget - Budget Supporting Documents; State Operating Budgets from FY13-FY22

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