

Representative Jack McFarland
Chairman



Representative Jason Hughes
Vice Chairman

Fiscal Year 2026 Executive Budget Review

LOUISIANA WORKFORCE COMMISSION

House Committee on Appropriations
House Fiscal Division

March 31, 2025

Budget Analyst: Abigail Chascin

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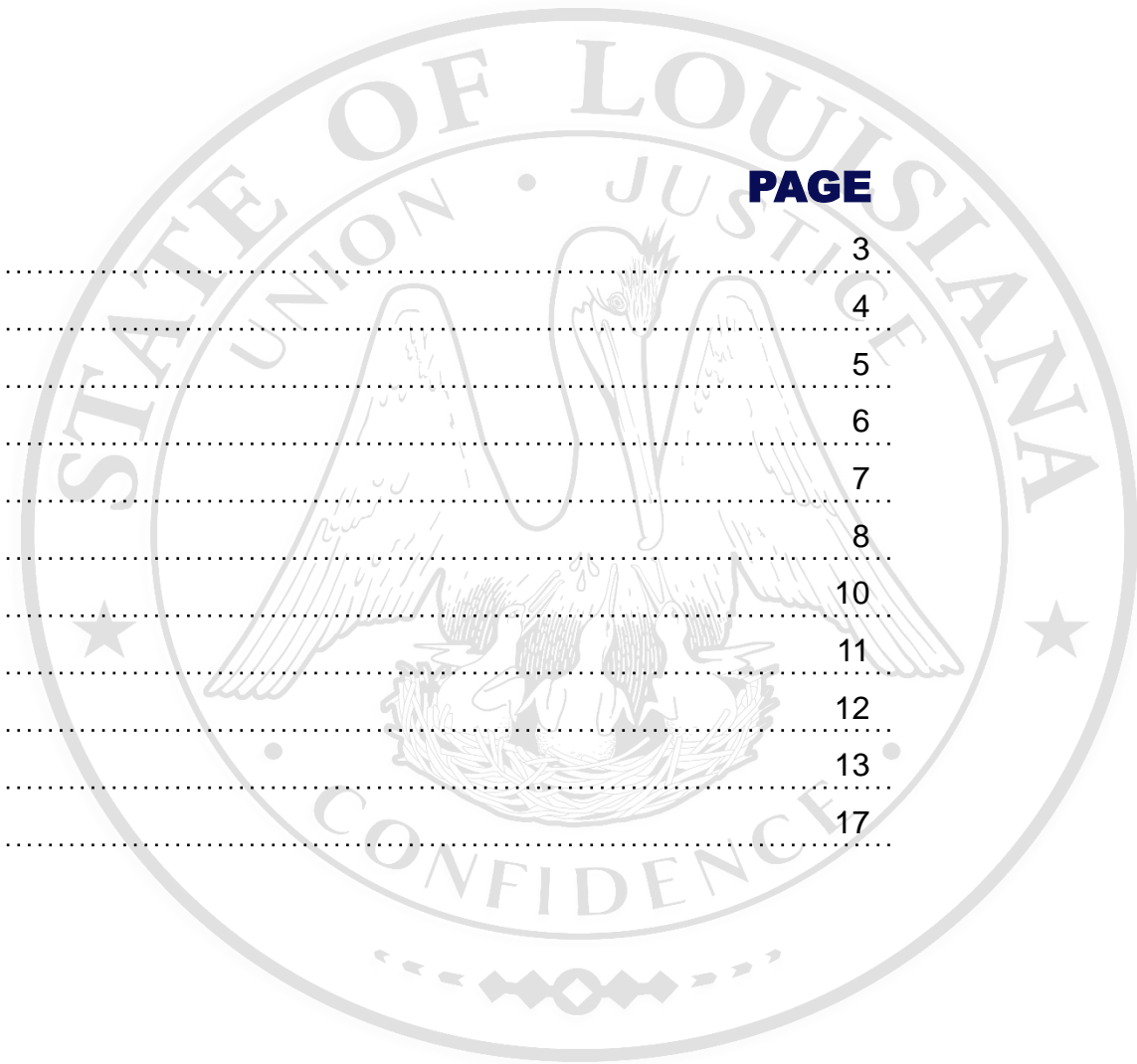
This presentation was produced by the House Fiscal Division of the Louisiana House of Representatives.

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All data and figures were obtained from the governor's Fiscal Year 2025-2026 Executive Budget and Supporting Documents provided by the Office of Planning and Budget within the Division of Administration along with House Bill 1 of the 2025 Regular Session, unless otherwise noted.

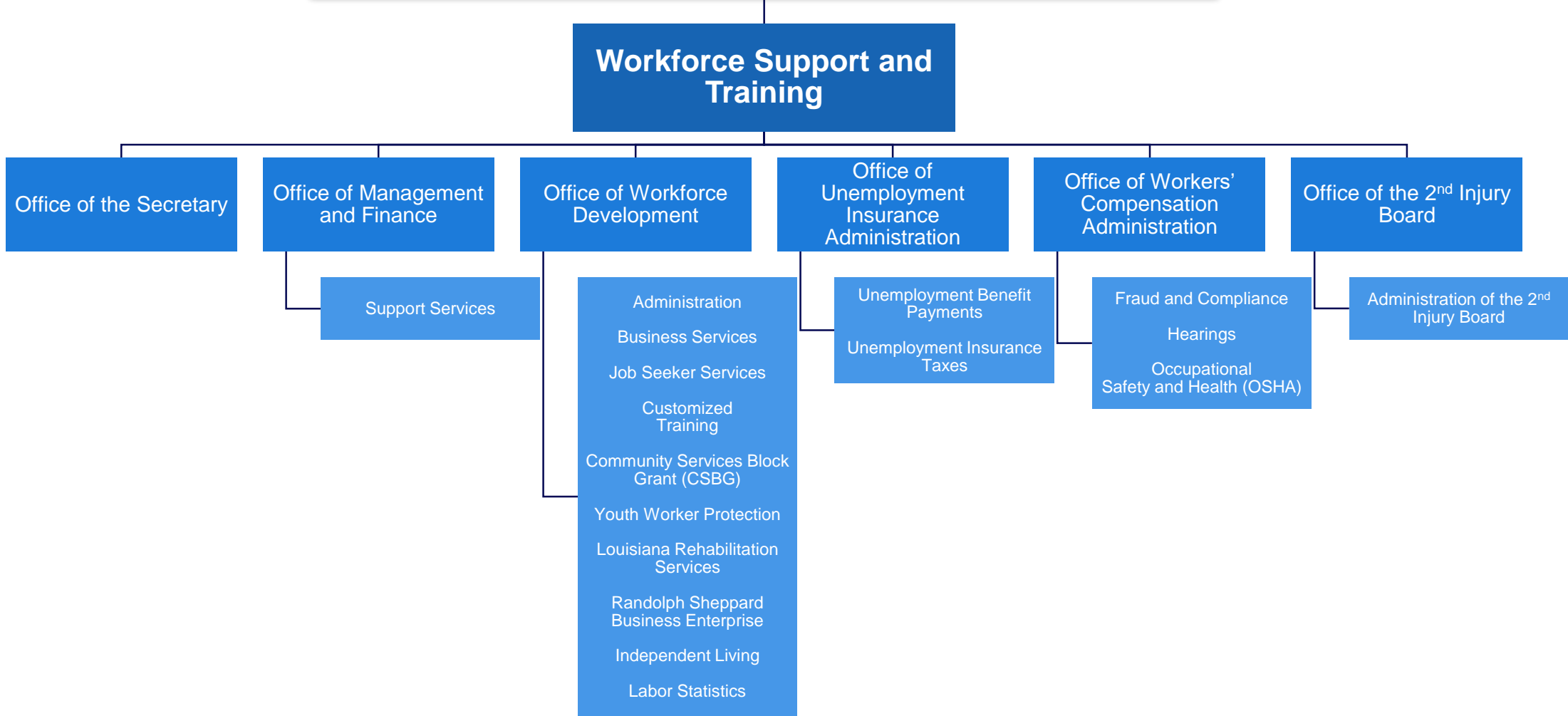
<https://www.doa.la.gov/doa/opb/budget-documents/>

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DEPARTMENT ORGANIZATION

Louisiana Workforce Commission

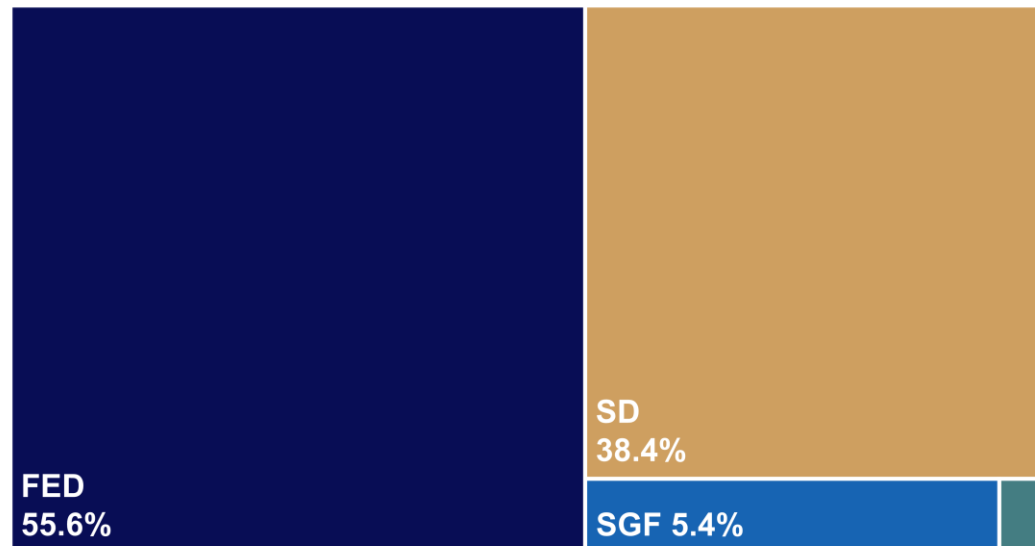


Note: Further detail on department programs, functions, and services are under the General Department Information section.

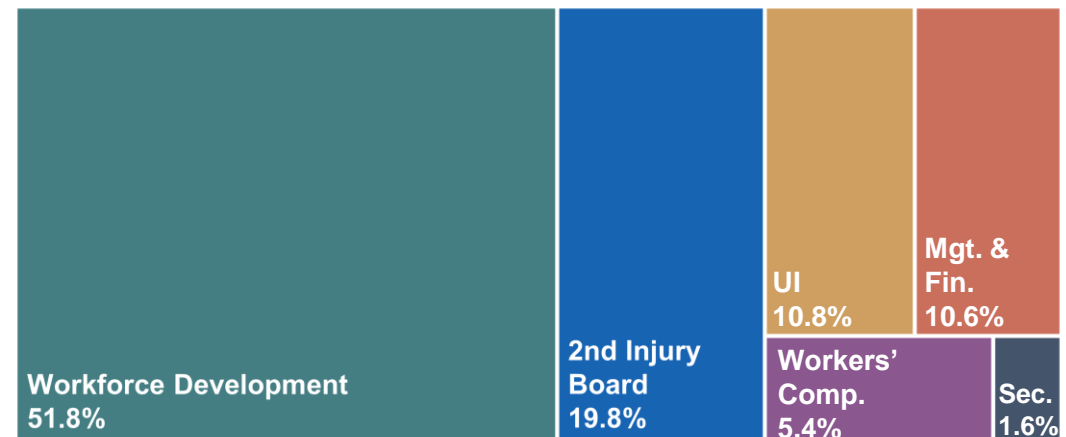
FY 26 BUDGET RECOMMENDATION

Total Funding = \$300,081,427

Means of Finance		
State General Fund	\$	16,310,048
Interagency Transfers		1,700,000
Fees & Self-generated		72,219
Statutory Dedications		115,207,266
Federal Funds		166,791,894
Total	\$	300,081,427



Program Funding & Authorized Positions			
		<i>Amount</i>	<i>Positions</i>
Office of the Secretary	\$	4,850,638	24
Management and Finance		31,659,653	64
Workforce Development		155,474,250	412
Unemployment Insurance		32,291,492	232
Workers' Compensation		16,245,672	125
2nd Injury Board		59,559,722	11
Total	\$	300,081,427	868

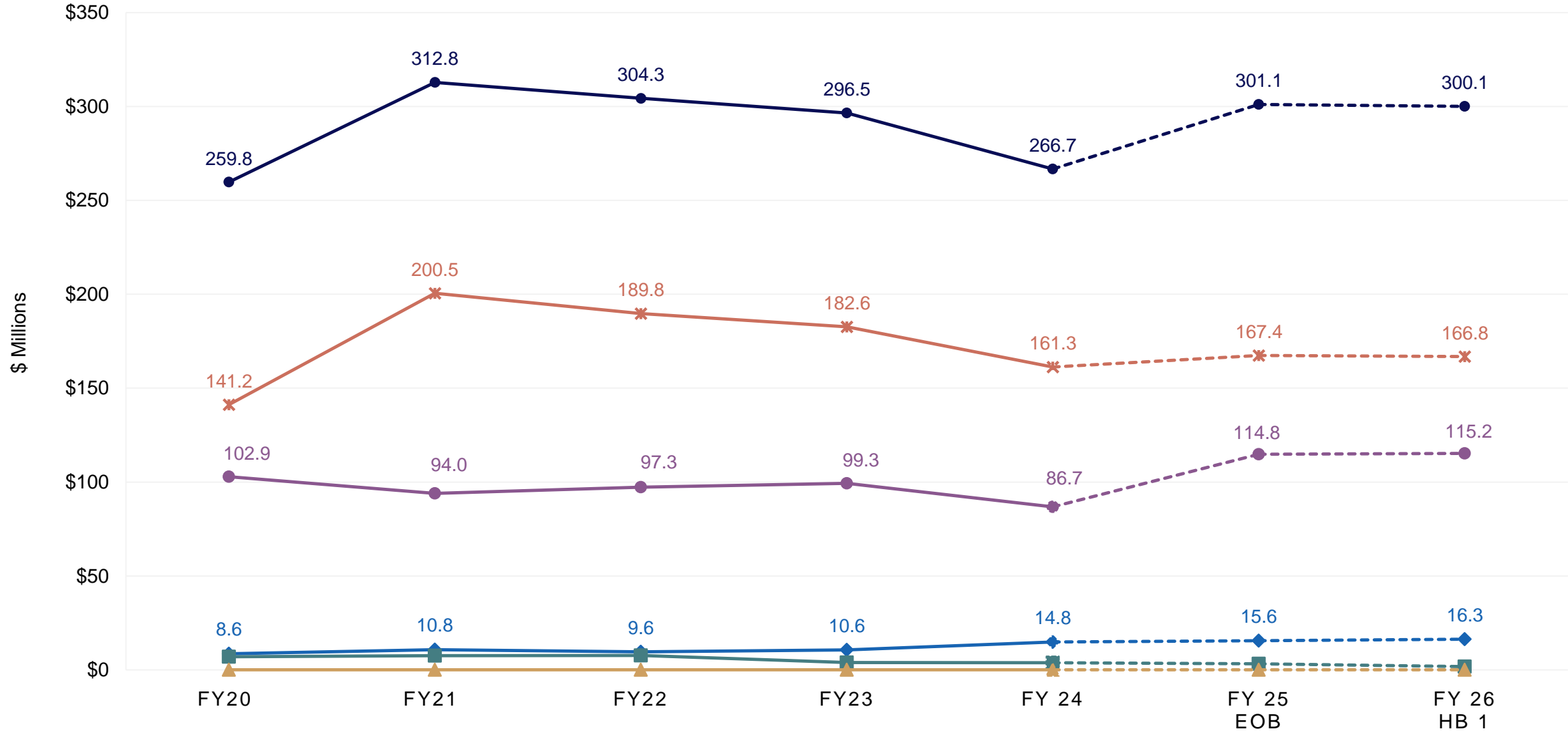


HISTORICAL SPENDING

◆ State General Fund ■ Interagency Transfers ▲ Fees & Self-generated ● Statutory Dedications ✖ Federal Funds ● Total Budget

Annual Average Spending
Change from FY 20 to 24:

14.6%	(14.1%)	(37.6%)	(4.2%)	3.4%	0.7%
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SOURCES OF FUNDING

State General Fund \$16.3 M	Interagency Transfers \$1.7 M	Self-generated Revenue \$72,219	Statutory Dedications \$115.2 M	Federal Funds \$166.8 M
<p>The chief operating fund of the State recognized by the Revenue Estimating Conference from various taxes, licenses, fees, and other revenue sources except for those identified as other means of financing</p>	<p>From the Department of Children and Family Services in order to operate the Jobs for America's Graduates activity</p>	<p>From various non-profit and for-profit organizations, via donation, for Louisiana Rehabilitation Services</p>	<p>Funding is derived from the following funds:</p> <ul style="list-style-type: none"> • \$60.9 M from the Workers' Comp. 2nd Injury Fund • \$25.9 M from the Incumbent Worker Training Account • \$19 M from the Workers' Comp. Admin. Fund • \$4.9 M from the Penalty and Interest Account • \$4 M from the Employment Security Admin. Account • \$550,337 from the Blind Vendors Trust Fund 	<p>\$115.9 M from the U.S. Department of Labor:</p> <ul style="list-style-type: none"> • \$46.2 M from Employment Security Grants • \$60 M from the Workforce Innovation and Opportunity Act • \$8.7 M from the Wagner-Peyser Act • \$890,000 from the Occupational Safety Statistical Grant <p>\$33 M from the U.S. Department of Education</p> <p>\$17.8 M from the U.S. Department of Health and Human Services</p>

Note: Further details on Statutory Dedication funding are under the General Budgetary Information section.

FUNDING COMPARISON

Means of Finance	FY 24 Actual Expenditures	FY 25 Existing Operating Budget 12/1/24	FY 26 HB1 Budget	Change Existing Operating Budget to HB1		Change Actual Expenditures to HB1	
SGF	\$ 14,810,048	\$ 15,560,048	\$ 16,310,048	\$ 750,000	4.8%	\$ 1,500,000	10.1%
IAT	3,821,892	3,200,000	1,700,000	(1,500,000)	(46.9%)	(2,121,892)	(55.5%)
FSGR	10,000	72,219	72,219	0	0.0%	62,219	622.2%
Stat Ded	86,745,935	114,811,325	115,207,266	395,941	0.3%	28,461,331	32.8%
Federal	161,281,958	167,428,330	166,791,894	(636,436)	(0.4%)	5,509,936	3.4%
Total	\$ 266,669,833	\$ 301,071,922	\$ 300,081,427	\$ (990,495)	(0.3%)	\$ 33,411,594	12.5%

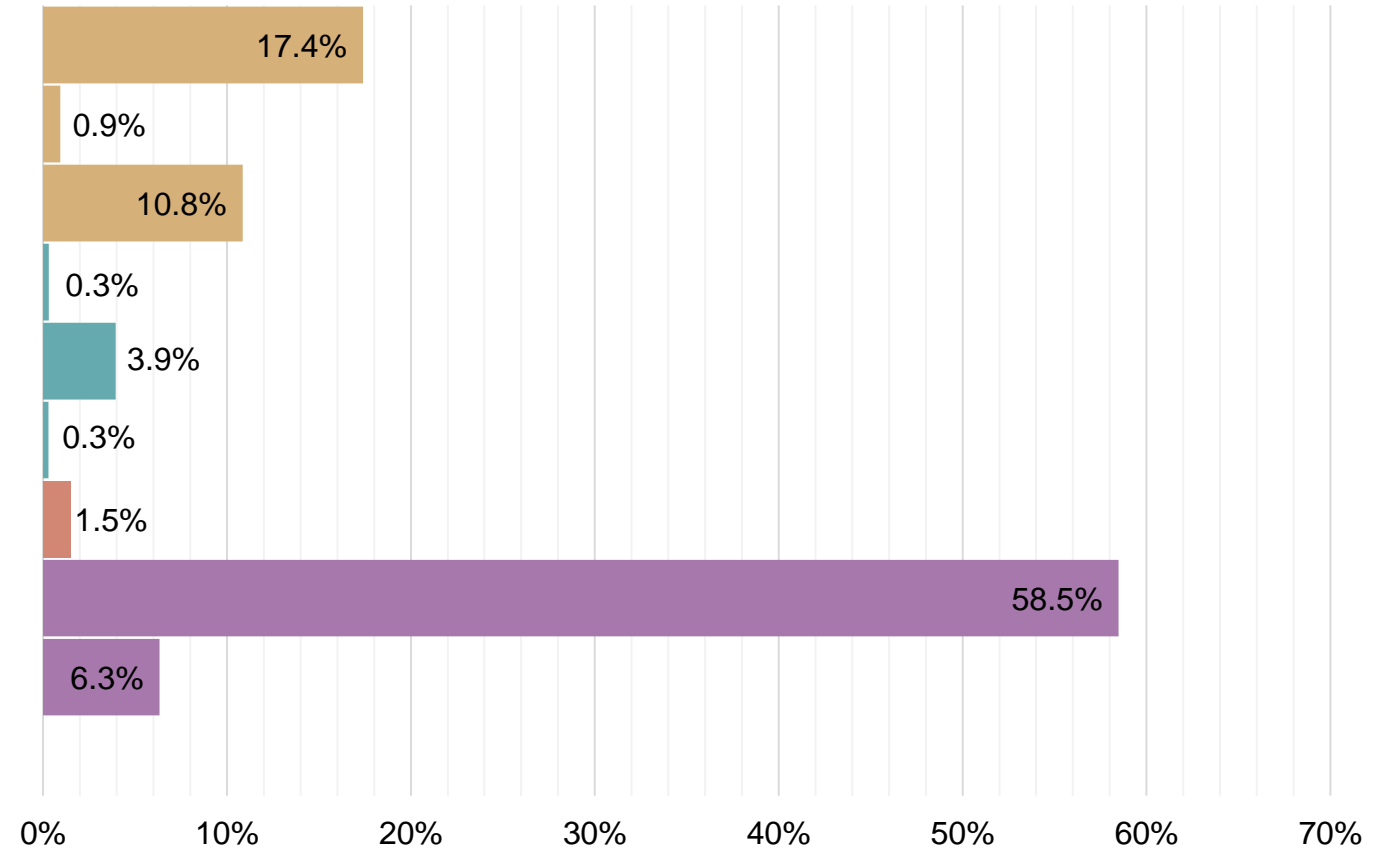
Significant funding changes compared to the FY 25 Existing Operating Budget

State General Fund	Interagency Transfers	Statutory Dedications
<p>\$750,000 net increase due to:</p> <ul style="list-style-type: none"> \$1.5 M increase to replace the reduction of Temporary Assistance to Needy Families (TANF) transfers from the Department of Children and Family Services (DCFS) (\$750,000) decrease due to the removal of one-time funding in FY 25 	<p>(\$1.5 M) decrease due to:</p> <p>The reduction of Temporary Assistance to Needy Families (TANF) transfers from the Department of Children and Family Services (DCFS)</p>	<p>\$395,941 net increase primarily due to:</p> <p>Increases out of the Office of Workers' Compensation Administration Fund</p>

FY 26 EXPENDITURE RECOMMENDATION

Total Budget = \$300,081,427

Expenditure Category		
Salaries	\$	52,198,981
Other Compensation		2,783,539
Related Benefits		32,556,803
Travel		940,165
Operating Services		11,819,084
Supplies		881,734
Professional Services		4,410,410
Other Charges		175,482,324
Interagency Transfers		19,008,387
Acquisitions/Repairs		0
Total	\$	300,081,427



OTHER CHARGES / INTERAGENCY TRANSFERS

Other Charges

Amount	Description
\$ 58,279,137	2nd Injury Workers' Compensation Insurance Reimbursements
37,478,010	Louisiana Rehabilitation Services
35,798,270	Education and training pass-through grants to local agencies
25,804,012	Incumbent Worker Training Program Grants
10,014,115	Jobs for America's Graduates
6,459,249	Helping Individuals Reach Employment system improvements
859,215	Randolph Sheppard Blind Vending Program and Independent Living Services
279,424	Security and Janitorial Services
206,877	Hosting Services
154,015	Outreach and Recruitment
150,000	Workers' Compensation Administration and Legal Expenses
\$ 175,482,324	Total Other Charges

Interagency Transfers

Amount	Description
\$ 15,155,228	Office of Technology Services
1,187,405	Auditing, legal, procurement, and treasury fees
941,681	Rent and maintenance of State-owned Buildings
906,330	Office of Risk Management
385,608	Civil Service and Uniform Payroll System fees
150,000	Louisiana Military Department
146,142	Capitol Police
110,993	Governor's Office of Disability Affairs
25,000	Children's Cabinet
\$ 19,008,387	Total Interagency Transfers

EXPENDITURE COMPARISON

Expenditure Category	FY 24 Actual Expenditures	FY 25 Existing Operating Budget 12/1/25	FY 26 HB1 Budget	Change Existing Operating Budget to HB1		Change Actual Expenditures to HB1	
Salaries	\$ 44,740,725	\$ 50,748,841	\$ 52,198,981	\$ 1,450,140	2.9%	\$ 7,458,256	16.7%
Other Compensation	3,214,837	2,783,539	2,783,539	0	0.0%	(431,298)	(13.4%)
Related Benefits	33,178,333	32,846,571	32,556,803	(289,768)	(0.9%)	(621,530)	(1.9%)
Travel	951,012	940,165	940,165	0	0.0%	(10,847)	(1.1%)
Operating Services	5,838,718	11,819,084	11,819,084	0	0.0%	5,980,366	102.4%
Supplies	513,301	881,734	881,734	0	0.0%	368,433	71.8%
Professional Services	1,073,271	4,350,410	4,410,410	60,000	1.4%	3,337,139	310.9%
Other Charges	156,124,314	176,232,324	175,482,324	(750,000)	(0.4%)	19,358,010	12.4%
Interagency Transfers	21,035,322	20,469,254	19,008,387	(1,460,867)	(7.1%)	(2,026,935)	(9.6%)
Acquisitions/Repairs	0	0	0	0	0.0%	0	0.0%
Total	\$ 266,669,833	\$ 301,071,922	\$ 300,081,427	\$ (990,495)	(0.3%)	\$ 33,411,594	12.5%

Significant expenditure changes compared to the FY 25 Existing Operating Budget

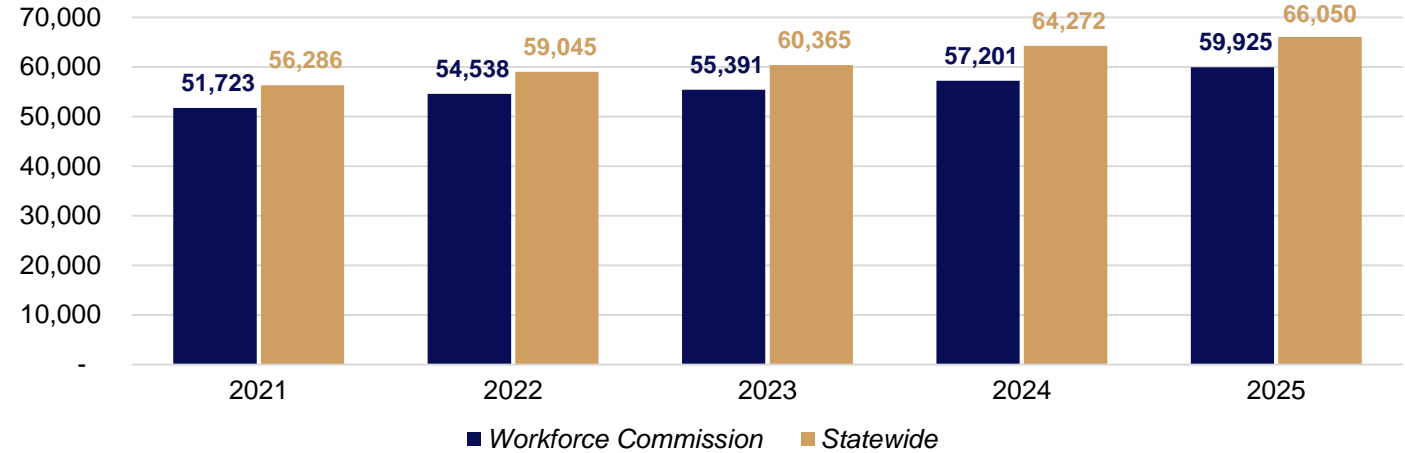
Personnel Services	Other Charges	Interagency Transfers
<p>\$1.2 M net increase primarily due to:</p> <ul style="list-style-type: none"> \$768,745 increase due to various standard statewide adjustments to salaries including attrition, benefits, and retirement changes (\$391,627) decrease due to 5 personnel reductions mainly from the Office of Workforce Development 	<p>(\$750,000) decrease due to:</p> <p>Removal of one-time funding for marketing education services:</p> <ul style="list-style-type: none"> (\$675,563) decrease to the Market Education Retail Alliance (\$74,437) decrease to the Louisiana Council for Economic Education 	<p>(\$1.5 M) net decrease primarily due to:</p> <p>Reductions in funds being transferred to the Office of Technology Services (OTS) from the Office of Management and Finance</p>

PERSONNEL INFORMATION

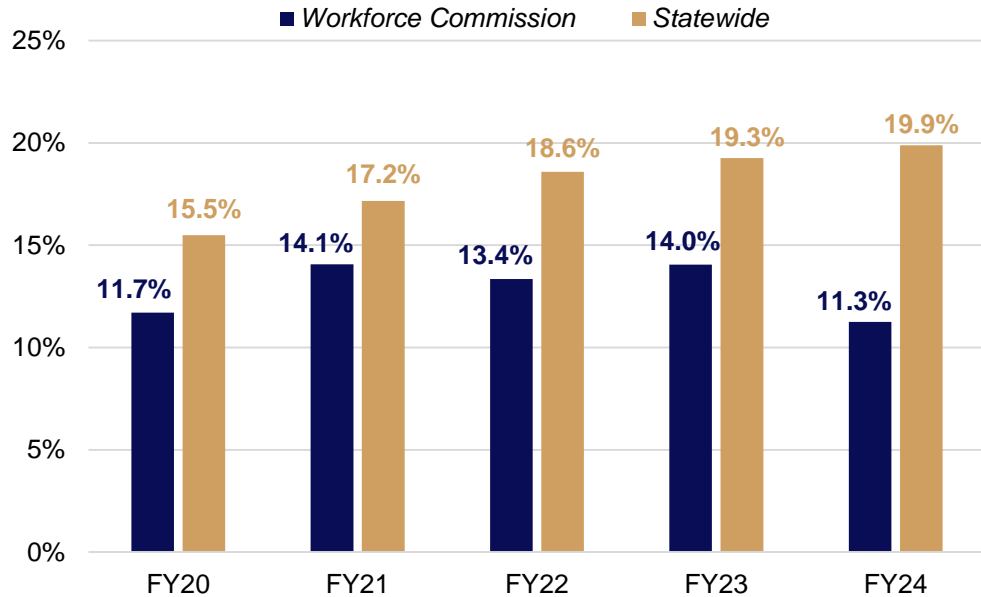
FY 2026 Recommended Positions

868	Total Authorized T.O. Positions (856 Classified, 12 Unclassified)
0	Authorized Other Charges Positions
141	Non-T.O. FTE Positions
102	Vacant Positions (December 30, 2024)

Historical Average Salary



Turnover History



Top Positions Vacated FY 2024

Position	Number of Employees	Separations	Turnover Rate
Workforce Development Specialist III	69	8	11.6%
Rehab Counselor (Entry Level)	22	7	31.8%
Office of Regulatory Services Specialist IV	37	6	16.2%
Administrative Assistant IV	27	5	18.5%
Rehab Counselor	30	5	16.7%

Source: Department of Civil Service

DEPARTMENT CONTACTS



Susana Schowen
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SSchowen@lwc.la.gov

Bennett Soulier
Deputy Secretary
BSoulier@lwc.la.gov

Jamie Tairov
Undersecretary
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The Louisiana State Seal is a circular emblem. It features a central figure of a pelican feeding its young in a nest. The words "STATE OF LOUISIANA" are written along the top arc, and "CONFIDENCE" along the bottom arc. The words "UNION" and "JUSTICE" are separated by a dot on the left and right sides respectively. A five-pointed star is positioned on the right side of the seal.

General Department Information

Office of the Secretary & Office of Management and Finance

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 agency resources; lessen the training gap of skilled workforce; connect residents with existing employers; and engage business and industry in workforce development initiatives

Office of Management and Finance:

- Performs activities related to budgeting, accounting, and personnel



LOUISIANA WORKFORCE COMMISSION

Office of Workforce Development

Administration

- Provide for the administration of various state and federal funds to provide educational and workforce development opportunities

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

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

Louisiana Rehabilitation Services

- Provides professional/quality outcome-based rehabilitation services on a statewide basis to program eligible individuals

Randolph Sheppard Business Enterprise

- Supports entrepreneurial opportunities for legally blind consumers to manage their own food service business

Independent Living

- Enables individuals who have significant disabilities to function more independently in home, work, and community environments

Labor Statistics

- Conducts four distinct statistical programs to determine the size and characteristics of Louisiana's labor force under established grant guidelines

LOUISIANA WORKFORCE COMMISSION

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 Payments

- 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

Office of Workers Compensation

Fraud & Compliance

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

Hearings

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

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

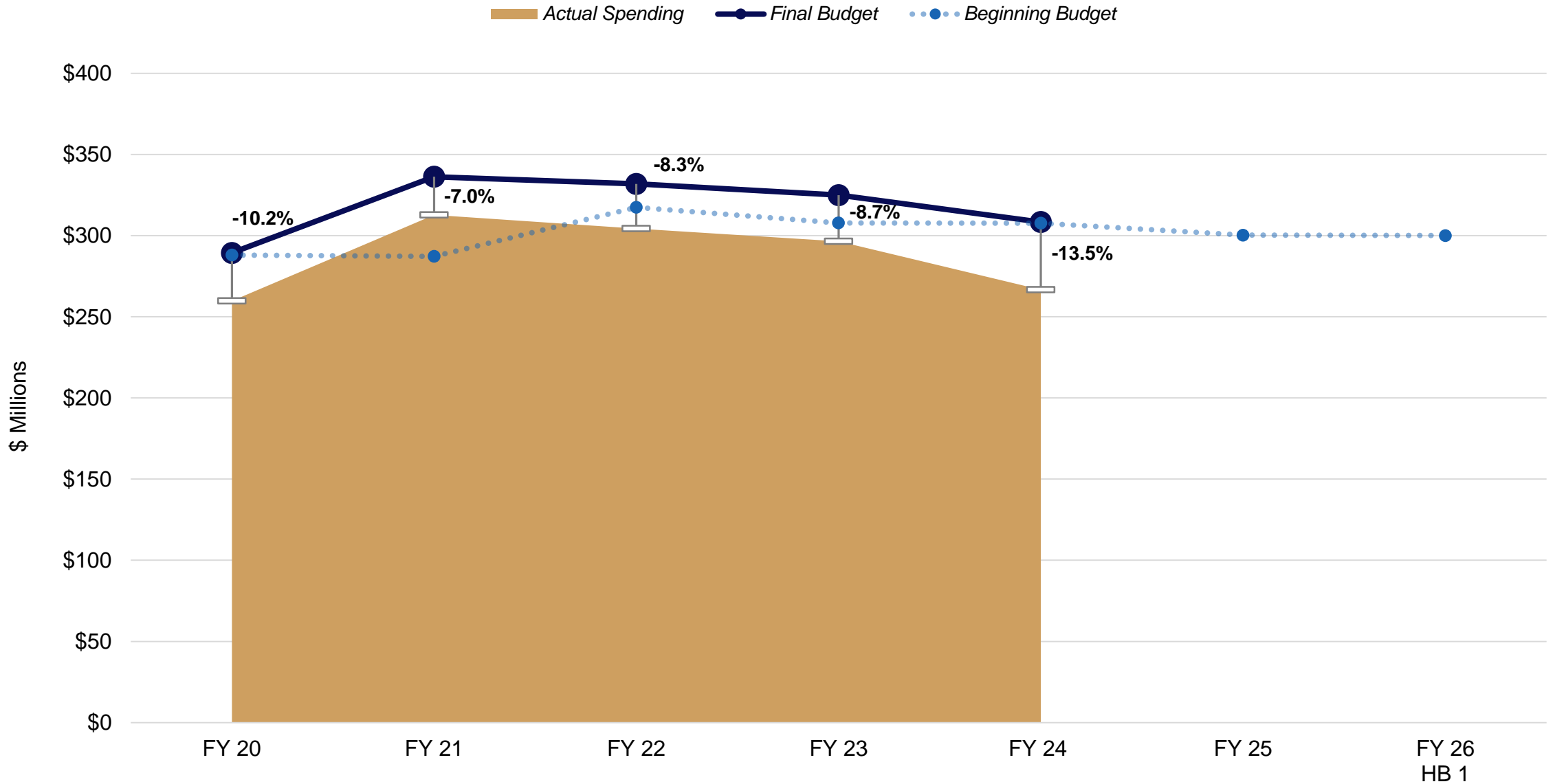
Administration of the 2nd Injury Board

- 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

The Louisiana State Seal is a circular emblem. It features a central figure of a pelican feeding its young in a nest. The words "STATE OF LOUISIANA" are written along the top arc, "UNION • JUSTICE" along the top inner arc, and "CONFIDENCE" along the bottom inner arc. A five-pointed star is positioned on the right side of the seal.

General Budgetary Information

HISTORICAL BUDGET



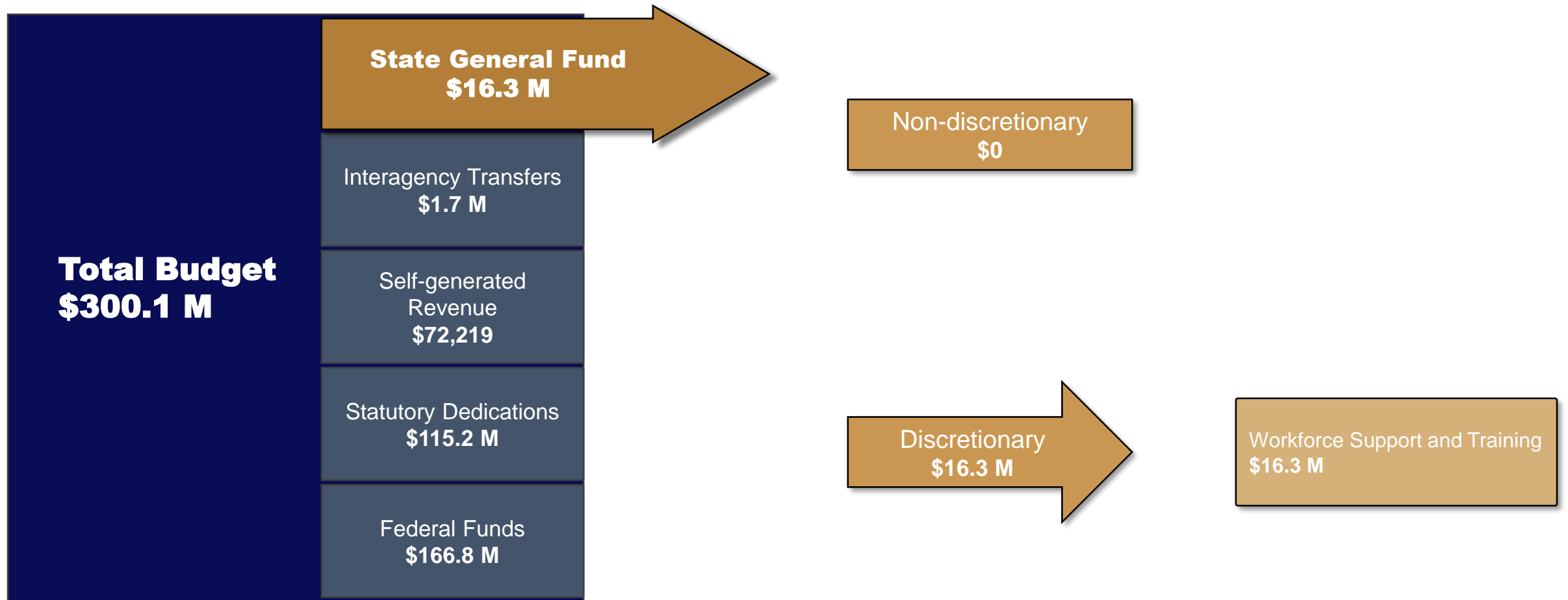
FY 25 EXISTING OPERATING BUDGET

The FY 2024-25 Existing Operating Budget (EOB) was frozen on December 1, 2024. This point-in-time reference is used in both the Executive Budget and the General Appropriations Bill.

Means of Finance	Appropriation	Mid-Year Adjustments	Existing Operating Budget
General Fund	\$ 15,560,048	\$ 0	\$ 15,560,048
Interagency Transfers	3,200,000	0	3,200,000
Self-generated Revenue	72,219	0	72,219
Statutory Dedications	114,811,325	0	114,811,325
Federal	167,428,330	0	167,428,330
Total	\$ 301,071,922	\$ 0	\$ 301,071,922

<i>Mid-year Adjustments Summary</i>				
July	August	September	October	November
No change	No change	No change	No change	No change

DISCRETIONARY EXPENSES



* Figures may not add precisely due to rounding *

STATUTORY DEDICATIONS

Fund Name	Source	Usage	FY 25 - EOB	FY 26 - HB1
Workers' Compensation Second Injury Fund	(RS 23:1371) – Insurance fees	Cases of workers' compensation that result from a subsequent, secondary injury	\$60,934,288	\$60,888,242
Incumbent Worker Training Account	(RS 23:1514) – Unemployment charges on employers	Incumbent Worker Training Program for businesses that incur UI tax liability	\$25,804,012	\$25,855,033
Workers' Compensation Administration Fund	(RS 23:1310.11) – Fees from workers' compensation disputes	Administering Workers' Compensation	\$18,611,101	\$19,007,476
Penalty and Interest Account	(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	\$4,911,681	\$4,915,021
Employment Security Administration Account	(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	\$4,000,000	\$3,991,157
Blind Vendors Trust Fund	(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	\$550,243	\$550,337
Total			\$114,811,325	\$115,207,266

UI TRUST FUND TRIGGER IMPACT

Projected UI Trust Fund Balance	Tax Rate Implications Wage Base <i>RS 23:1474</i>	Rates <i>R.S. 23:1536</i>	Maximum Weekly Benefit Amount <i>RS 23:1474</i>
Greater than \$1.4 B	\$7,000	2nd 10% discount	\$312
\$1.4 B to \$1.15 B	\$7,000	N/A	\$282
\$1.15 B to \$750 M	\$7,700	N/A	\$275
\$750 M to \$400 M	\$8,500	1st 10% discount	\$249
\$400 M to \$100 M	\$8,500	No 10% discount	\$249
\$100 M to \$0	\$8,500	Solvency Tax (E1) Formula allows for up to 30% increase over	\$249
Negative	\$8,500	Surtax (F1) Formula based on repayment of debt and interest	\$249

*As of August 31st, 2024, the Trust Fund balance was
\$1,012,889,363*