

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 383** SLS 26RS 435

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> March 15, 2026 3:31 PM	<b>Author:</b> BASS
<b>Dept./Agy.:</b> Louisiana Works/Treasury	<b>Analyst:</b> Darynn Hoppe
<b>Subject:</b> Establishes the Flexible Workforce Fund	

FUNDS/FUNDING OR INCREASE SD RV See Note  
Provides relative to the Incumbent Worker Training Program. (8/1/26)

Page 1 of 1

Proposed law: provides that the program administrator for the Incumbent Worker Training Program (IWTP) will define "customized training" through rulemaking. Requires that no more than 40% of the amount appropriated to the Incumbent Worker Training Account (IWTA) by the state legislature to establish the Flexible Workforce Fund within the IWTA be used for specified training, projects, and initiatives, with expedited grant review procedures and unobligated funds reverting to the IWTA at year's end. Proposed law also lowers the upper unemployment trust fund balance threshold from \$1.25 billion to \$1.15 billion.

Effective August 1, 2026.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	<b>\$15,000,000</b>	<b>\$15,000,000</b>	<b>\$15,000,000</b>	<b>\$15,000,000</b>	<b>\$60,000,000</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$15,000,000</b>	<b>\$15,000,000</b>	<b>\$15,000,000</b>	<b>\$15,000,000</b>	<b>\$60,000,000</b>

  

REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	<b>\$15,000,000</b>	<b>\$15,000,000</b>	<b>\$15,000,000</b>	<b>\$15,000,000</b>	<b>\$60,000,000</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$15,000,000</b>	<b>\$15,000,000</b>	<b>\$15,000,000</b>	<b>\$15,000,000</b>	<b>\$60,000,000</b>

**EXPENDITURE EXPLANATION**

Proposed law will increase expenditures in the Incumbent Worker Training Program (IWTP) as a result of expanding the definition of "customized training" to include training that addresses the employer's workforce challenges and workforce needs, such as process improvements, new equipment, or technology adoption. Proposed law creates the Flexible Workforce Fund within the existing Incumbent Worker Training Account (IWTA), and the monies in the fund will be used for sector-based training, regional workforce initiatives, innovation, or pilot projects addressing high-demand or shortage occupations. Also, the proposed law requires LA Works to implement policies for expedited review and approval processes for grants awarded under IWTP. The Legislative Fiscal Office anticipates the proposed law will result in increased training provided through IWTP, and presumes increased expenditures in IWTP will be mitigated by the additional revenue authorized under this measure. See Revenue Explanation below.

**REVENUE EXPLANATION**

Proposed law will increase Statutory Dedications out of the Incumbent Worker Training Account (IWTA) by \$15 M beginning in FY 28 due to this measure lowering the Unemployment Insurance (UI) Trust Fund balance threshold required to credit funds to the IWTA from \$1.25 B to \$1.15 B.

The Incumbent Worker Training Program (IWTP) is funded by a social charge assessed on employers/businesses paid along with UI tax contributions. Under current law, when the UI Trust Fund balance is between \$750 M and \$1.25 B, \$20 M is credited to the IWTA; and when the balance is over \$1.25 B, \$35 M is credited to the IWTA. Proposed law changes the thresholds so that when the UI Trust Fund balance is between \$750 M and \$1.15 B, \$20 M is credited to the IWTA; and when the balance is over \$1.15 B, \$35 M is credited to the IWTA. As of 3/06/26, LA Works reports the balance of the fund is \$1,127,094,737. Therefore, proposed law would require \$35 M to be credited to the IWTA, which would result in an increase of \$15 M over the baseline (or until the balance had exceeded \$1.25 B).

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Alan M. Boxberger*

**Alan M. Boxberger**  
**Legislative Fiscal Officer**