

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 251** SLS 20RS 176
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 4, 2020 8:10 AM **Author:** CARTER, TROY
Dept./Agy.: Department of Economic Development/Workforce Comm **Analyst:** Alan M. Boxberger
Subject: Requires hiring apprentices by certain employers

EMPLOYMENT OR SEE FISC NOTE GF EX Page 1 of 1

Requires certain employers who receive state economic development incentives for construction projects to hire a certain number of registered apprentices to complete the project. (8/1/20)

Present law provides for apprenticeship agreements and provides that the La Department of Economic Development (LED) certify state monetary incentives given to businesses that participate in various economic development programs enacted by the legislature. Proposed law requires that, beginning August 1, 2020, any employer who participates in an economic development program and receives monetary or fiscal benefits from the state for the construction of a new facility or the expansion of an existing facility will designate no less than 2% of the man-hours in any apprenticeable occupation, as defined by the U.S. Department of Labor, to registered apprentices; requires that the state director of apprenticeship also approve the apprenticeship agreements; provides that if the director of the La Workforce Commission determines that an insufficient number of registered apprentices is available for a particular project, the executive director will certify the number of registered apprentices available for the project and issue a waiver for the remaining number of jobs; and requires the employer to meet the standards and requirements of the apprenticeship program.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

REVENUES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law may result in additional, indeterminable expenditures for the Louisiana Department of Economic Development (LED) and will result in a workload impact for both LED and the Louisiana Workforce Commission (LWC). LED reports that it cannot determine the level of additional workload that will be required by proposed law as that impact will be determined by participation levels in the economic development programs defined in R.S. 51:935.1 that receive fiscal benefits for the construction of a new facility or expansion of an existing facility. Workload impact will also be affected by compliance monitoring efforts. LED reports that to the extent these activities add additional work hours to the administration and monitoring of these select economic development programs, the department may require additional budgetary resources and/or T.O. positions to provide adequate implementation and oversight. To the extent these activities are minimal and can be adequately monitored as part of traditional program monitoring and compliance efforts, the department may be able to absorb the additional workload within existing resources.

The Louisiana Workforce Commission (LWC) reports that it will be able to absorb any additional workload requirements utilizing existing budgetary and personnel resources. The director of apprenticeship is an LWC employee and the duties and responsibilities of this position are similar to those outlined in proposed law and can be absorbed in the normal course and scope of the position's responsibilities.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux
Evan Brasseaux
Staff Director