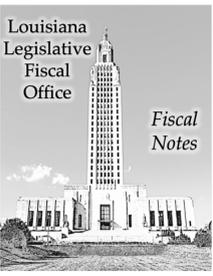


LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 51** HLS 23RS 373
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 3, 2023	1:15 PM	Author: GOUDEAU
Dept./Agy.: Louisiana Workforce Commission		Analyst: Noah O'Dell
Subject: Verification of Attendance at Employment Interviews		

UNEMPLOYMENT COMP OR INCREASE GF EX See Note Page 1 of 2
 Provides relative to the verification of attendance at employment interviews

Proposed law provides that when a claimant is scheduled for an employment interview and the claimant fails, without good cause shown, to attend the interview, his failure to attend may be reported by the employer to the administrator. After a second failure to appear for any employment interview, the claimant's failure may be reported by the employer to the administrator. Upon the second failure and a determination that good cause was not shown, the administrator may consider the claimant's eligibility to receive benefits. Proposed law defines "good cause" as any action or circumstance which in the considered judgment of the administrator, was not within the control off the claimant and was the direct cause of the claimant's failure to attend the scheduled interview. Proposed law provides that an employer may submit a completed interview verification form, which shall constitute sufficient proof of the claimant's failure to appear at an interview. Proposed law directs the Louisiana Workforce Commission (LWC) to prescribe a specific interview verification form. Proposed law directs LWC to promulgate all rules as are necessary to implement the use of the interview verification form.

EXPENDITURES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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	2023-24	2024-25	2025-26	2026-27	2027-28	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 will result in an increase in SGF expenditures in the Louisiana Workforce Commission (LWC). Proposed law has one-time startup costs associated with the creation of the interview verification form, design, testing, and database storage system of \$13,845 plus the costs associated with personnel (see page 2). The continuing costs are the salaries and related benefits of the employees required to administer the proposed law shown on the following page.

LWC reports the proposed law will necessitate additional staffing to handle the volume of forms and the need to adjudicate each form that applies to unemployment insurance claimants. The LWC estimates a significant workload increase associated with 2% of claimants missing two (2) interviews. The historical data for the LWC continued Unemployment Insurance (UI) benefit claims, which require a minimum of 3 work searches per week, indicate 624,381 continued claims were filed in 2022. At a 2% estimate, the LWC would have reviewed 12,488 interview verification forms in 2022, which would have required four (4) additional employees.

Using the LWC's estimate of 12,488 forms annually and four (4) employees, each employee would adjudicate roughly twelve (12) forms per working day. The adjudication process would require contacting the UI claimant, the first employer/interviewer, and the second employer/interviewer before considering the claimant's eligibility to receive benefits.

The LWC estimates the staffing needs would increase/decrease based on the number of individuals actively filing for UI benefits. The following page details the estimated positions needed and the associated calculation of cost. FY 24 staff cost is estimated at approximately \$332,108. Total costs to the agency are estimated at approximately \$345,953 (\$13,845 system development + \$332,108 personnel services) for the first year. For the purpose of costing subsequent fiscal years, the LWC assumes an average of a 2% pay increase each year.

NOTE: The LFO cannot corroborate that the workload necessitated by this measure will require the number of personnel detailed by LWC. The LFO anticipates that staffing will need to be scaled up or down based on two factors: the number of individuals actively filing for UI benefits and the number of employers voluntarily submitting the interview verification forms to LWC. To the extent the workload may be less than estimated, the number of personnel and total expenditures may decrease accordingly. The LWC may be required to significantly scale up its workforce for any calendar year in which economic conditions may create a significant growth in UI claims benefit filings, as long as employers continue to voluntarily submit an increased number of interview verification forms.

CONTINUED ON PAGE 2

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
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Interim Deputy Fiscal Officer



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CONTINUED EXPLANATION from page one:

Page 2 of 2

EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE

Startup Costs Associated with Creation/Design/Testing

The LWC estimates an IT contractor will take approximately 40 hours of development at \$250.83 per hour or \$10,033 to design and test the new specifications to ensure the form and data collection functions as designed. In addition, one (1) WAE will be utilized during the design/testing phase, which is estimated to require ten (10) hours at an average hourly rate of \$40.08 hour or \$401. Lastly, LWC estimates it will require one (1) employee to sync the workforce services database with the Occupational Information Services (OIS) database in the initial year. LWC estimates it will take this employee forty (40) hours, plus related benefits, at a cost of \$3,411. The requirements gathering, design, testing, and implementation bring the total system change cost to \$13,845.

<u>Positions</u>	<u>Salary</u>	<u>Retirement</u>	<u>Medicare</u>	<u>Insurance</u>	<u>Indirect</u>	<u>Sub Total</u>	<u>Total</u>
ORS Specialist-3 (4) - annually	\$47,612	\$19,092	\$690	\$6,737	\$8,896	\$83,027	\$332,108
WFD Specialist 9 (1) - 40 hours	\$2,047	\$821	\$30	\$130	\$383	\$3,411	\$3,411
WAE 10 hours @ \$40.08 per hour							\$401
Contractor 40 hours @ \$250.83 per hour							\$10,033

Future Fiscal Year Costs Estimates (based upon 2022 claims filed)

FY 24	\$345,953	(System Development + Personnel Services)
FY 25	\$338,750	(Only Personnel Services)
FY 26	\$345,525	(Only Personnel Services)
FY 27	\$352,436	(Only Personnel Services)

For informational purposes, the current administration of UI is financed entirely by federal funds. The amount of federal funds available for LWC to staff this program is a function of the number of unemployment claims. The federal funding follows an equation that increases/decreases depending on the number of claims. Employers pay into the UI fund through a payroll tax or reimbursable program. The UI fund is used to distribute unemployment benefits to qualified claimants.

Senate
 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}

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