

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



Fiscal Note On: **HB 566** HLS 13RS 814

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 1, 2013 12:40 PM	<b>Author:</b> DIXON
<b>Dept./Agy.:</b> Workforce Commission	<b>Analyst:</b> Deborah Vivien
<b>Subject:</b> Authorizes participation in IRORA	

UNEMPLOYMENT COMP RE INCREASE SD RV See Note Page 1 of 1  
Provides relative to reciprocal overpayment recovery arrangements with federal and state agencies

Current law allows the state to enter into reciprocal arrangements between agencies of other states or the federal government with certain stipulations.

Proposed law retains current law and authorizes Louisiana to join the Interstate Reciprocal Overpayment Recovery Agreement (IRORA) allowing states to act as agents for each other in collecting overpaid unemployment benefits from pending unemployment benefits.

<b>EXPENDITURES</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>5 -YEAR TOTAL</b>
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	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

<b>REVENUES</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The minimal expenses associated with the effort, estimated at a few thousand dollars, include form, report and notice generation as well as computer system adaptations and postage. These expenses will be absorbed in the current budget using federal funds appropriated for this type of purpose.

**REVENUE EXPLANATION**

The proposed legislation is anticipated to result in an increase in SGR. There are situations in which an individual receives an overpayment of unemployment benefits, which the state must attempt to recover. This bill will authorize a reciprocal arrangement between Louisiana and other signatory states to collect overpayment of unemployment benefits from current unemployment benefits being paid.

In FY 12, Louisiana collected about \$8.9M in unemployment benefit overpayments. The experience of states currently in the agreement show an anticipated increase of 1%-3% in collections. In LA's case, the range of anticipated additional collections is \$89,000 to \$267,000. These collections will be returned to the Unemployment Trust Fund, which is not part of the state budget.

Along with the benefit restitution, the agency expects to collect penalties and interest, which are deposited into the Penalty and Interest Account to fund the department (depicted as SGR in the table above). Current penalty and interest collections are \$2.9 M annually. If collections increase 1%, the statutory dedication revenue will increase by \$29,000.

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|---|----------------------------|--|
| <u>Senate</u>   | <u>Dual Referral Rules</u> | <u>House</u>   |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}       |                            | <input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {S}                        |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} |                            | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

**John D. Carpenter**  
**Legislative Fiscal Officer**