



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

Fiscal Note On: **HB 456** HLS 23RS 770  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 20, 2023	2:18 PM	<b>Author:</b> CREWS
<b>Dept./Agy.:</b> Louisiana Workforce Commission		
<b>Subject:</b> Unemployment Comp. Benefits & Job and Reemployment		<b>Analyst:</b> Noah O'Dell

UNEMPLOYMENT COMP OR +\$318,306 GF EX See Note Page 1 of 1  
 Provides relative to the duration of unemployment compensation benefits and creates the job and reemployment act

Present law provides that any otherwise eligible individual shall be entitled to receive unemployment compensation benefits for 26 weeks during a 12-month period. Present law provides the requirements that a claimant for unemployment benefits must meet in order to be eligible for unemployment benefits, including three (3) work search activities. Present law creates the unemployment insurance integrity program, which provides a list of requirements for LWC to complete in order to verify the eligibility of claims and to prevent fraudulent filing and payment of claims.

Proposed law specifies the maximum duration of unemployment benefits available to a claimant will be based upon the average state unemployment rate according to a tier system. Proposed law increases the number of work search activities to four (4), specifies activities that qualify as work search, and details required actions to be taken by program administrators. Proposed law requires multi-factor authentication to be used for online applications for unemployment benefits.

<b>EXPENDITURES</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$318,306	\$318,306	\$318,306	\$318,306	\$1,273,224
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$217,000	\$0	\$0	\$0	\$0	\$217,000
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$217,000</b>	<b>\$318,306</b>	<b>\$318,306</b>	<b>\$318,306</b>	<b>\$318,306</b>	<b>\$1,490,224</b>

  

<b>REVENUES</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>5 -YEAR TOTAL</b>
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	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

Proposed law increases Federal and SGF expenditures in the Louisiana Workforce Commission (LWC). Proposed law specifies the maximum duration of unemployment benefits available to a claimant will be based upon the average state unemployment rate according to a tier system. Proposed law has a one-time cost of \$217,000 to modify the HiRE technology system that manages and pays unemployment benefits. Proposed law has continuing costs of \$318,306 for ID verification and two factor authorization for online claims.

Proposed law increases the number of work searches required to four (4) to remain eligible for benefits. LWC currently uses a proprietary technology system (HiRE) to manage and distribute benefits. LWC estimates one-time costs of \$217,000 to reprogram the system for the number of weeks claimants are eligible and the increased number of work search activities required. LWC has one-time federal funds available for automation that can be used for these system modifications.

Proposed law further requires ID verification and two factor authorization for online claims. This service was put in place in reaction to the relaxed identification requirements for unemployment insurance programs during Covid-19 and remains in place today. Although it is currently utilized today, it is not mandatory and is funded with a one-time federal grant. The annual cost of ID verification and two factor authorization is \$107,500 for HiRE and \$210,806 for IDME software for a total of \$318,306 per year. SGF will be necessary to continue the service into FY 25 and beyond as specified by proposed law.

Proposed law requires benefit administrators to establish specific processes to assist individuals applying for jobs. LWC indicates the staff can comply utilizing existing resources, although they may be strained in periods of high unemployment.

For informational purposes, the current administration of unemployment insurance (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. 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.

**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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**Evan Brasseaux**  
 Interim Deputy Fiscal Officer