



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 340** HLS 23RS 708
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 12, 2023	8:20 AM	Author: ROMERO
Dept./Agy.: Louisiana Workforce Commission		
Subject: Duration of Unemployment Benefits		Analyst: Noah O'Dell

UNEMPLOYMENT COMP RE +\$81,550 FF EX See Note Page 1 of 1
 Provides relative to the duration of unemployment compensation benefits and provides for extended benefits

Proposed law decreases the maximum number of weekly benefits a claimant may be eligible for in a benefit year from 26 weeks to a number of weeks between 12 and 20, depending on the average of the three most recently published seasonally adjusted unemployment rates preceding the month in which the claimant files his first claim for benefits. Proposed law provides the maximum duration of benefits available to a valid claimant will be based upon the average unemployment rate as determined by the Secretary of the La. Workforce Commission (LWC) according to a tier system. Proposed law provides that, on a monthly basis, LWC shall publish on its website the maximum number of weekly benefits a claimant may be eligible for. Proposed law provides that the individual's total extended benefit amount, with respect to any benefit year, shall be eight times his weekly benefit amount. Proposed law provides that an individual shall not be eligible for extended benefits, if the Secretary of LWC determines that the individual is no longer enrolled or participating in the training program or the individual has completed the training program. Proposed law has an effective date of January 1, 2025.

EXPENDITURES	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	\$81,550	\$0	\$0	\$0	\$0	\$81,550
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$81,550	\$0	\$0	\$0	\$0	\$81,550

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>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law increases state expenditures by \$81,550 Federal funds in FY 24 within the Louisiana Workforce Commission (LWC). Proposed law provides that the maximum number of weekly benefits a claimant may be eligible for in a benefit year shall depend on the average of the three most recently published seasonally adjusted unemployment rates preceding the month in which the claimant files his first claim for benefits.

LWC currently uses a proprietary technology system HiRE to manage and distribute benefits. LWC estimates one-time costs of \$81,550 to reprogram the system for the number of weeks claimants are eligible as specified by proposed law. LWC has one-time federal funds available for automation that can be used for these system modifications.

Also, proposed law reduces the total extended benefit amount from thirteen (13) times the weekly benefit amount to eight (8) times the weekly benefit amount. LWC has indicated no state-level extended benefit program has been implemented at the agency.

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. 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.

REVENUE EXPLANATION

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

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

Evan Brasseaux

Evan Brasseaux
 Interim Deputy Fiscal Officer