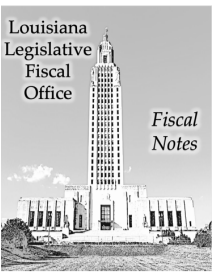


LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 624** HLS 25RS 160
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 22, 2025 7:15 PM **Author:** BERAULT
Dept./Agy.: Children & Family Services and LA Workforce Commission
Subject: Transfers Economic Stability and Renames LWC to LA Works **Analyst:** Patrice Thomas

WORKFORCE COMMISSION OR INCREASE GF EX See Note Page 1 of 2

Transfers certain family and support programs from the Department of Children and Family Services to the Louisiana Workforce Commission and renames Louisiana Workforce Commission to Louisiana Works

Under present law, the Department of Children and Family Services (DCFS) provides public assistance through its Office of Family Support. Proposed law transfers certain programs that provide public assistance from DCFS's Office of Family Support to the LA Workforce Commission (LWC). Under proposed law the following programs are being transferred: (1) Supplemental Nutrition Assistance Program (SNAP) Program, formerly Food Stamps, that provides nutrition assistance through Electronic Benefits (EBT) including Sun Bucks/Summer EBT, disaster SNAP benefits, and SNAP Workforce Training and Education Program; (2) Temporary Assistance to Needy Families (TANF) that provides cash assistance including the TANF block grant, Family Independence Temporary Assistance Program (FITAP), and Strategies to Empower People (STEP) Program; (3) Social Security Administration Disability Determinations Services (DDS); and (4) Child Support Enforcement employment and training program (CSE E&T).

Proposed law transfers SNAP and CSE employment and training programs and STEP program effective 7/01/25 (FY 26); transfer of DDS effective 7/01/26 (FY 27); and transfers of remaining SNAP and TANF effective 7/01/27 (FY 28). Proposed law renames LWC to Louisiana Works effective 7/01/25 (FY 26).

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0

Annual Total

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law will result in a net increase of expenditures by an indeterminable amount within the Department of Children and Family Services (DCFS) and the newly renamed LA Works (formerly LA Workforce Commission - LWC) for IT systems enhancements for data reporting, sharing, and integration. Proposed law transfers public assistance programs currently in DCFS to LWC to remove multiple doors a client would have to access for services from public assistance programs and workforce development programs. Under the proposed law, LA Works would administer both workforce development programs and public assistance programs currently administered by DCFS, collectively referred to as Economic Stability – SNAP, TANF, DDS, SNAP employment and training, CSE employment and training, and STEP. In addition, DCFS may need \$4.2 M of additional SGF funding in FY 28 to replace Federal reimbursement received from the Economic Stability programs under the department's public assistance cost allocation plan that will no longer be available (See Explanation on Indirect Impact on DCFS Expenditures).

Transfers of Economic Stability Programs in DCFS to LA Works

In FY 26, this measure will increase expenditures by an estimated \$1.5 M to \$3 M within DCFS and LWC/LA Works for IT systems enhancements for data reporting, sharing, and integration needed to co-enroll eligible clients into multiple programs under the "Open Door" business model. The transfer of economic stability programs will begin with all employment and training programs under DCFS being integrated with workforce development programs administered by LA Works. Both departments use various IT management information systems to ensure accurate documentation and data analytics for client eligibility and program performance as well as integrated services data reports would need to be developed for referrals. At least four IT systems would need modifications - Helping Individuals Reach Employment (HiRE) in LWC/LA Works and LA Integrated Technology for Eligibility (LITE), SNAP Works, and CSE Works in DCFS.

In FY 27, upon Federal approval, the DDS program will be transferred on 7/01/26. There is no anticipated direct material effect on expenditures as a result of transferring the DDS program from DCFS to LWC/LA Works.

In FY 28, upon Federal approval, the remaining SNAP and TANF programs will be transferred on 7/01/27. There will be an indirect material effect on expenditures in DCFS as a result of the transfers. See "Indirect Impact on DCFS Expenditures" on the next page.

Continue 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}

Alan M. Boxberger
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Legislative Fiscal Officer



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CONTINUED EXPLANATION from page one:

EXPENDITURE EXPLANATION Continued from Page 1

Indirect Impact on DCFS Expenditures

Since DCFS operates under a Public Assistance Cost Allocation Plan (PACAP), both the department's Divisions of Child Welfare and Management and Finance allocates personal services and operating costs across all funding sources including federal SNAP and TANF. Once SNAP and TANF are transferred to LWC/LA Works, DCFS reports needing an additional \$12.2 M in SGF to cover the loss of Federal expenditure reimbursement. To mitigate this loss of funding, the proposed law requires LWC/LA Works to maintain the current level of TANF funding in DCFS's Division of Child Welfare. In Management and Finance, beginning in FY 28, the proposed law requires LWC/LA Works to reduce its SGF appropriation by \$8 M and requires the Commissioner of Administration to increase the SGF appropriation for DCFS by \$8 M. DCFS will still need at least \$4.2 M SGF beginning in FY 28. The LFO cannot corroborate that DCFS will need \$4.2 M SGF (\$12.2 M - \$8 M) in FY 28 to mitigate the loss of Federal funding. To the extent more SGF is needed, there may be an indeterminable impact on SGF expenditures in FY 28 and subsequent fiscal years. Since the full transfer of SNAP and TANF will not happen until FY 28, the department has two fiscal years to address the impact on its expenditure funding under this measure.

Note: The \$8 M SGF in LWC/LA Works is for the JAG program. It is anticipated that LWC/LA Works can utilize TANF funding to replace SGF in the JAG program.

Elimination of LWC/LA Works Positions

Proposed law requires LWC/LA Works to reduce 40 T.O. positions by FY 28. The department has indicated that the positions will be reduced over the next several fiscal years through natural attrition. The department reports savings of \$2.8 M (\$239,535 Worker's Compensation Administration Fund; \$61,843 Second Injury Board Fund, and \$2,562,589 Federal). Only existing positions in LWC/LA Works will be eliminated. Economic Stability positions transferred from DCFS will not be eliminated.

Name Change - LWC to LA Works

Proposed law provides for the renaming of the Louisiana Workforce Commission to Louisiana Works. The department will need to change office building signage, decals on all state vehicles, order new stationary and business cards, issue new employee I.D. badges, and other incidental items. Similar to other department name changes, the LFO anticipates LWC/LA Works will complete all necessary name changes utilizing existing resources.

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

House
[X] 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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