



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 412** HLS 22RS 844
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 7, 2022	8:33 AM	Author: GOUDEAU
Dept./Agy.: Louisiana Workforce Commission		
Subject: Verification of attendance at employment interviews		Analyst: Prashant Sastry

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 shall be reported by the employer to the administrator. After a second failure to appear for any employment interview, the claimant's failure shall 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 attending 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 facilitate the implementation of the use of the interview verification form.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	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>	\$0
Annual Total						
REVENUES	2022-23	2023-24	2024-25	2025-26	2026-27	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 will result in an increase in SGF expenditures in the LA Workforce Commission (LWC). The department estimates the need to create an automated system to manage the requirement of the proposed law will require approximately 40 hours at \$250.83 per hour, or \$10,033, to design and test the new specifications to ensure this system functions properly.

LWC reports the proposed measure will also necessitate additional staffing to handle the volume of forms and need to adjudicate each that applies to unemployment insurance claimants. Using an estimated 2% of applications that will result in an interview, LWC reports this will generate a significant workload. The historical data for the LWC continued Unemployment Insurance (UI) benefit claims, which require a minimum of 3 work searches per week, are as follows:

- 2019 Continued Claims Filed - 783,300
 * At a 2% estimate, the LWC would have reviewed 15,666 interview verification forms.
- 2020 Continued Claims Filed - 8,903,752
 * At a 2% estimate, the LWC would have reviewed 178,075 interview verification forms.

The staffing needs would increase/decrease based on the number of individuals actively filing for UI benefits. Based on the numbers realized in 2020, this would require roughly six (6) employees to support this process in total. The following page details the estimated positions needed and associated calculation of cost. FY 23 staff cost is estimated at approximately \$498,162. Total costs to the agency are estimated at approximately \$508,596 (\$10,434 system development + \$498,162 personnel services) for the first year. The out-year cost 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. To the extent the workload may be less than estimated, the number of personnel and total expenditures may decrease accordingly. The staffing needs will increase/decrease based on the number of individuals that are actively filing for UI benefits. The number of UI claims submitted in 2020 were hyper inflated due to the effects of the COVID-19 pandemic on the overall economy. The number of claims filed in 2019 were approximately 8.8% of the total filed in 2020. If the workload of a "typical" or "normal" claims year correlated to a proportional decrease in staff needed to meet the estimated workload, personnel services expenditures may decrease significantly. However, the LFO anticipates that staffing will need to be scaled to the number of claims filed. The LWC would 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. The LFO has not yet received data for 2021 Continued Claims Filed. **See Next Page**

REVENUE EXPLANATION

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

<p><u>Senate</u></p> <p><input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}</p> <p><input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}</p>	<p><u>House</u></p> <p><input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}</p> <p><input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}</p>	
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 Interim Deputy Fiscal Officer



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CONTINUED EXPLANATION from page one:

EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE

<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 (6) - annually	\$47,612	\$19,092	\$690	\$6,737	\$8,896	\$83,027	\$498,162

System Changes

40 hours @ \$250.83 per hour \$10,033

Out year costs are estimated as follows (based upon 2020 claims filed):

FY 23 \$508,195
 FY 24 \$508,125
 FY 25 \$518,288
 FY 26 \$528,653
 FY 27 \$539,227

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}

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