



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 624** HLS 25RS 160
Bill Text Version: **REENGROSSED**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

Date: May 21, 2025	1:29 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 RE 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 Department of Health (LDH) and 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 (DSNAP) 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 workforce development programs (SNAP and CSE employment and training programs and STEP program) effective 7/01/25 (FY 26); Fraud Detection Fund effective 7/01/25 (FY 26); DDS effective 7/01/26 (FY 27); and remaining SNAP effective 10/01/25 (FY 26) and TANF effective 7/01/26 (FY 27). Proposed law renames LWC to Louisiana Works effective 7/01/26 (FY 27).

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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

Under the “Open Door” business model, proposed law transfers public assistance programs currently administered by DCFS to LDH and LWC to remove multiple doors a client would have to access for services from public assistance programs and workforce development programs collectively referred to as Economic Stability – SNAP, TANF, DDS, SNAP employment and training, CSE employment and training, and STEP. All public assistance programs, except TANF, would be transferred to LDH. All workforce development programs and the TANF program would be transferred to LWC/LA Works.

Proposed law will result in a net increase of expenditures by an indeterminable amount within the newly renamed LA Works (formerly LA Workforce Commission - LWC) for IT systems enhancements for data reporting, sharing, and integration of workforce development programs. Also, proposed law requires LWC/LA Works to reduce 40 T.O. positions in FY 28, which would result in decreased Federal expenditures.

Also, proposed law may result in an indeterminable, but significant, decrease in expenditures within the LA Department of Health (LDH) associated with savings as a result of integrating Medicaid and SNAP IT systems as well as combining and reducing the eligibility enrollment workforce. Any such decreases may occur outside the five-year window of this fiscal note. Also, proposed law requires LWC/LA Works to reduce 40 T.O. positions by the end of FY 26.

Under proposed law, DCFS may need \$12.2 M of additional SGF funding beginning in FY 26 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” on page 2).

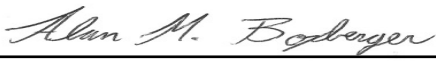
Transfers of Economic Stability Programs in DCFS to LDH and LA Works

Phase 1 - Workforce Development Programs to LWC/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. 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.

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	House	
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input checked="" 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}	Alan M. Boxberger Legislative Fiscal Officer



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CONTINUED EXPLANATION from page one: Page 2 of 2

EXPENDITURE EXPLANATION Continued from Page 1

Phase 2 - SNAP to LDH: In FY 26, upon Federal approval, the remaining SNAP will be transferred to LDH on 10/01/25. Proposed law will have an indirect material effect on expenditures in DCFS due to the transfer of the SNAP. See “Indirect Impact on DCFS Expenditures” below. Also, proposed law may create some level of potential savings. See “Potential Efficiencies from Transfers” below.

Phase 3 - Disability Determinations Services (DDS) to LDH: In FY 27, upon Federal approval, the DDS program will be transferred to LDH on 7/01/26. Proposed law may create some level of potential savings. See “Potential Efficiencies from Transfers” below.

Phase 4 - TANF to LWC/LA Works: In FY 27, upon Federal approval, the remaining TANF programs will be transferred on 7/01/26. Proposed law will have an indirect material effect on expenditures in DCFS due to the transfer of the TANF. See “Indirect Impact on DCFS Expenditures” below.

Note: DCFS anticipates transferring \$384 M and 1,518 T.O. positions. The position breakdown is 43 administrative positions and 1,475 direct program positions. The LFO cannot corroborate if the transfer of 43 administrative positions is an adequate number of positions that LDH or LWC will need to support the SNAP and TANF programs.

Potential Efficiencies from Transfers

Beginning in FY 18, DCFS started a collaboration with LDH and the Office of Technology Services (OTS) to replace and modernize legacy IT systems used by Economic Stability programs referred to as the Integrated Eligibility (IE)/Transformation project. The goal of the project was to integrate the eligibility of SNAP and TANF with Medicaid. As a result, DCFS currently has an integrated eligibility system called the Louisiana Integrated Technology for Eligibility (LITE) system. The system focuses exclusively on integrating economic stability programs within the department.

With the transfer of SNAP and DDS to LDH, the department will continue the integration of the SNAP, DDS, and Medicaid IT eligibility and enrollment systems under the “One Door” business model, which may result in indeterminable, but significant, efficiencies. There is no anticipated direct material effect on LDH as a result of the transfers. There is the potential for some level of savings and efficiencies as a result of economies of scale, reducing duplication of function, and IT integration that are created through the transfer. Any such savings and efficiencies are speculative and may occur outside the five-year window of this fiscal note.

Indirect Impact on DCFS Expenditures

Since DCFS operates under a Public Assistance Cost Allocation Plan (PACAP), the department’s Divisions of Child Welfare and Management and Finance allocate 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 an adequate level of federal TANF funding in DCFS’s Division of Child Welfare through an interagency agreement.

The LFO cannot corroborate that DCFS will need an additional \$12.2 M SGF beginning in FY 26 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 26 and FY 27 as well as subsequent fiscal years.

Elimination of LWC/LA Works Positions

Proposed law requires LWC/LA Works to reduce 40 T.O. positions no later than 7/01/27 (FY 28). The department has indicated that the positions will be reduced 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. As of 7/01/24, LWC had 873 T.O. positions. TANF 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 stationery 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.

Timeline of Proposed Law

	Effective Date/Fiscal Year
Transfers of Economic Stability	
Phase 1: Workforce Development Programs (DCFS to LDH)	7/01/2025 (FY 26)
Phase 2: SNAP (DCFS to LDH)	10/01/2025 (FY 26)
Phase 3: Disability Determinations (DCFS to LDH)	7/01/2026 (FY 27)
Phase 4: TANF (DCFS to LWC/LA Works)	7/01/2026 (FY 27)
Transfer Fraud Detection Fund to LWC/LA Works	7/01/2025 (FY 26)
Elimination of LWC/LA Works Positions (40 T.O. positions)	7/01/2027 (FY 28)
Name Change - LWC to LA Works	7/01/2026 (FY 27)


Senate

Dual Referral Rules

House

- ☒ 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
- ☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

- ☒ 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
Legislative Fiscal Officer