

2026 Regular Session

SENATE BILL NO. 383

BY SENATOR BASS

FUNDS/FUNDING. Provides relative to the Incumbent Worker Training Program. (8/1/26)

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AN ACT

To amend and reenact R.S. 23:1514(B), (C)(1)(a), and (D)(4) and (11) and 1553(B)(8) and (10) and to enact R.S. 23:1514(F) and 1536(E)(4)and (K), relative to the Incumbent Worker Training Program; to provide relative to the Incumbent Worker Training Account; to provide for the training of incumbent workers; to provide relative to eligibility requirements for businesses; to provide relative to customized training; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 23:1514(B), (C)(1)(a), and (D)(4) and (11) and 1553(B)(8) and (10) are hereby amended and reenacted R.S. 23:1514(F) and 1536(E)(4) and (K) are hereby enacted to read as follows:

§1514. Worker training fund; purpose; training programs; eligibility criteria; program administration

* * *

B. Incumbent Worker Training Account funds shall be used only for the following types of training:

- (1) Customized training. Designed to meet the ~~special need and~~ specific skill,

1 technology, or operational needs and requirements of business and industry,
 2 including a small business employer or group of small business employers.
 3 ~~customized~~ Customized training programs may include specialized, employer-
 4 specific curriculums, instructional materials, training delivery methods, on-site or
 5 employer-directed training, innovative training projects, and ~~training locations.~~
 6 Customized training may also include standardized courses. Customized training
 7 shall address workforce challenges of the employer and be for workforce needs
 8 such as process improvements, new equipment, or technology adoption. The
 9 administrator shall define "customized training" through rule-making
 10 consistent with this Section.

11 (2) Small business employee training. This type of training is may be
 12 individual standardized (off-the-shelf) training, customized training, or college or
 13 university noncredit courses and shall be available to businesses having fifty or
 14 fewer employees.

15 (3) Preemployment training. This type of training shall be provided for
 16 nonincumbent workers for new, existing, and expanding businesses. This training
 17 may include screening, skills assessment, testing, remediation, and occupational and
 18 technical training.

19 (4) Work-based learning. This type of training shall be provided for
 20 apprenticeship and internship programs.

21 C. An applicant is eligible to participate in the Incumbent Worker Training
 22 Program if it meets the following criteria:

23 (1) Is an individual employer or a consortium made up of two or more
 24 eligible employers that meets all of the following requirements:

25 (a) Has been operating in Louisiana for ~~not less than three years~~ a minimum
 26 of two years, unless otherwise exempted by the secretary of Louisiana Works
 27 or their designee.

28 * * *

29 D.(1) * * *

1 E.(1) * * *

2 (4)(a) If, at the computation date in any calendar year, the administrator
3 determines that an increase in funding to the Incumbent Worker Training
4 Program (IWTP) provided under R.S. 23:1553 is necessary to generate
5 additional authorized collections, each employer subject to contributions under
6 this Chapter shall be entitled to a credit against contributions otherwise due for
7 that year.

8 (b)The amount of the credit shall be equal to the employer's taxable
9 wages multiplied by the average Incumbent Worker Training Program rate
10 increase required to generate the additional account assessment for that
11 calendar year, as determined by the administrator.

12 (c)The administrator shall calculate the average IWTP rate increase by
13 dividing the additional IWTP assessment amount authorized for collection by
14 the total taxable wages subject to contribution for the preceding calendar year.

15 (d)The credit authorized pursuant to this Paragraph shall be applied as
16 a reduction to the employer's total contributions due under the applicable rate
17 table for the calendar year and shall not reduce any employer's contribution
18 liability below zero.

19 * * *

20 K. The administrator shall adjust the tax rate table detailed in this
21 Section so that the change between the tax rate and the IWTP assessment
22 increase is revenue neutral for the department prior to January 1, 2027.

23 * * *

24 §1553. Noncharging of benefits; recoupment; social charge account; social charge
25 tax rate

26 * * *

27 B(1) * * *

28 (8) Amounts not to exceed twenty million dollars to be credited to the
29 Incumbent Worker Training Account to fund the Incumbent Worker Training

1 Program as provided under R.S. 23:1514 shall be charged to this account only in any
 2 calendar year in which the applied trust fund balance range as defined in R.S.
 3 23:1474 is equal to or greater than seven hundred fifty million dollars, but less than
 4 one billion ~~two~~ **one** hundred fifty million dollars and only in the amount necessary
 5 to bring the balance of unobligated funds in such subaccount to twenty million
 6 dollars.

7 * * *

8 (10) Amounts not to exceed thirty-five million dollars to be credited to the
 9 Incumbent Worker Training Account to fund the Incumbent Worker Training
 10 Program as provided under R.S. 23:1514 shall be charged to this account only in any
 11 calendar year in which the applied trust fund balance range as defined in R.S.
 12 23:1474 is equal to or greater than one billion ~~two~~ **one** hundred fifty million dollars
 13 and only in the amount necessary to bring the balance of unobligated funds in such
 14 subaccount to thirty-five million dollars.

15 * * *

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

DIGEST

SB 383 Original

2026 Regular Session

Bass

Present law defines "customized training".

Proposed law retains present law and adds that "customized training" will also address workforce challenges of the employer and be for workforce needs such as process improvements, new equipment, or technology adoption. Proposed law further provides that the administrator will define "customized training" through rule-making.

Present law provides that an applicant is eligible to participate in the Incumbent Worker Training Program (IWTP) if it meets the following criteria:

- (1) Is an individual employer or a consortium made up of two or more eligible employers that meets all of the following requirements:
- (2) Has been operating in Louisiana for not less than three years.
- (3) Is contributing to the Incumbent Worker Training Account for which liability is incurred under this present law.
- (4) Is current on the payment of its state unemployment taxes.

Proposed law retains present law but adds that the employer must be operating in Louisiana

for not less than two years.

Proposed law establishes the "Flexible Workforce Fund" and requires the following:

- (1) Monies in the Flexible Workforce Fund shall be used for sector based training, regional workforce initiatives, or innovation or pilot projects addressing high demand or shortage occupations.
- (2) The administrator will implement policies for expedited review and approval procedures for grants awarded under proposed law.
- (3) At the close of the fiscal year, the administrator may revert unobligated funds to the general Incumbent Worker Training Account.

Proposed law requires the administrator to adjust the tax rate table so that the change between the tax rate and the IWTP assessment increase is revenue neutral for the department prior to January 1, 2027.

Effective August 1, 2026

(Amends R.S. 23:1514(B), (C)(1)(a), (D)(4), (11), and 1553(B)(8) and (10); adds R.S. 23:1514(F) and 1536(E)(4)and (K))