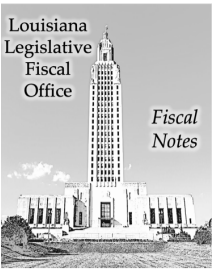


**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**



Fiscal Note On: **SB 383** SLS 26RS 435  
 Bill Text Version: **ENROLLED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> May 5, 2026 6:06 PM	<b>Author:</b> BASS
<b>Dept./Agy.:</b> Louisiana Works/Treasury	<b>Analyst:</b> Darynn Hoppe
<b>Subject:</b> Establishes the Flexible Workforce Fund	

FUNDS/FUNDING EN INCREASE SD RV See Note Page 1 of 1  
 Provides relative to the Incumbent Worker Training Program. (8/1/26)

Proposed law: provides that the program administrator for the Incumbent Worker Training Program (IWTP) will define "customized training" through rulemaking. Requires that no more than 40% of the amount appropriated to the Incumbent Worker Training Account (IWTA) by the state legislature be used for specified training, regional workforce initiatives, or innovation pilot projects addressing high-demand or shortage occupations. Proposed law also lowers the upper unemployment trust fund balance threshold from \$1.25 billion to \$1.15 billion, and provides a ten percent reduction to employer unemployment insurance contributions to employers with a positive reserve ratio, provided the balance in the benefit transfer account exceed one billion one hundred fifty million dollars.

Effective August 1, 2026.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	<b>\$15,000,000</b>	<b>\$15,000,000</b>	<b>\$15,000,000</b>	<b>\$15,000,000</b>	<b>\$60,000,000</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$15,000,000</b>	<b>\$15,000,000</b>	<b>\$15,000,000</b>	<b>\$15,000,000</b>	<b>\$60,000,000</b>

REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	<b>\$15,000,000</b>	<b>\$15,000,000</b>	<b>\$15,000,000</b>	<b>\$15,000,000</b>	<b>\$60,000,000</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$15,000,000</b>	<b>\$15,000,000</b>	<b>\$15,000,000</b>	<b>\$15,000,000</b>	<b>\$60,000,000</b>

**EXPENDITURE EXPLANATION**

Proposed law will increase expenditures in the Incumbent Worker Training Program (IWTP) as a result of expanding the definition of "customized training" to include training that addresses the employer's workforce challenges and workforce needs, such as process improvements, new equipment, or technology adoption. Also, the proposed law requires LA Works to implement policies for expedited review and approval processes for grants awarded under IWTP. The Legislative Fiscal Office anticipates the proposed law will result in increased training provided through the IWTP, and presumes increased expenditures in the IWTP will be mitigated by the additional revenue authorized under this measure. See Revenue Explanation below.

**REVENUE EXPLANATION**

Proposed law will increase Statutory Dedications out of the Incumbent Worker Training Account (IWTA) by \$15 M beginning in FY 28 due to this measure lowering the Unemployment Insurance (UI) Trust Fund balance threshold required to credit funds to the IWTA from \$1.25 B to \$1.15 B.

The Incumbent Worker Training Program (IWTP) is funded by a social charge assessed on employers/businesses paid along with UI tax contributions. Under current law, when the UI Trust Fund balance is between \$750 M and \$1.25 B, \$20 M is credited to the IWTA; and when the balance is over \$1.25 B, \$35 M is credited to the IWTA. Proposed law changes the thresholds so that when the UI Trust Fund balance is between \$750 M and \$1.15 B, \$20 M is credited to the IWTA; and when the balance is over \$1.15 B, \$35 M is credited to the IWTA. As of 3/06/26, LA Works reports the balance of the fund is \$1,127,094,737. This fiscal note assumes that the fund balance will reach \$1.15 B before the end of the calendar year. Therefore, proposed law would require \$35 M to be credited to the IWTA, which would result in an increase of \$15 M over the baseline (or until the balance had exceeded \$1.25 B).

**Private Employers.**

Proposed law also changes the threshold necessary to receive a 10% reduction in unemployment insurance contributions by employers. The new threshold offers this reduction when the balance of all monies in the benefit transfer account exceed \$1.15 B, rather than \$1.4 B in present law, provided that the employer has a positive reserve ratio. The schedule of unemployment insurance contributions varies greatly, establishing thirty-six different rates depending on the employer's reserve ratio.

**Note: Impacts to the UI Trust Fund occur outside of state and local budgets and is not referenced in the table. The UI Trust Fund is housed at the federal level and is filled with deposits of employer payroll taxes.**

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*  
**Alan M. Boxberger**  
**Legislative Fiscal Officer**