



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 84** SLS 15RS 260
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

Date: May 6, 2015 7:14 PM	Author: PETERSON
Dept./Agy.: Statewide/Workforce Commission	
Subject: LA Family and Medical Leave Benefit Act	Analyst: Patrice Thomas

EMPLOYMENT OR INCREASE SD EX See Note Page 1 of 1
Creates the Louisiana Family and Medical Leave Benefits Act. (see Act) (2/3-CA7s2.1)

Proposed law creates the "Louisiana Family and Medical Leave Benefits Act" (LA FMLA) that authorizes insurance benefits to covered individuals, who meet certain circumstances and paid payroll taxes into the LA FMLA Account Fund for at least one year. Proposed law provides that LA FMLA payroll taxes are calculated, withheld, and paid in the same manner and in the same amounts as unemployment compensation, and payroll taxes are paid 50%-50% by the employer and employee. Proposed law provides that a self-employed person may elect coverage under the LA FMLA. Proposed law provides that the LA Workforce Commission (LWC) establish and administer the LA FMLA program; promulgate rules and forms for filing claims for benefits before Jan. 1, 2016; begin collecting payroll taxes on Jan. 1, 2016; and pay benefits as specified in the LA. FMLA starting Jan. 1, 2017. Proposed law provides for a civil fine between \$20 and \$200 per LA FMLA violation. Proposed law creates the Louisiana Family and Medical Leave Account Fund special treasury fund for payroll taxes collected for LA FMLA; and all monies in this fund are appropriated and expended by LWC administrating the LA FMLA and the payment of benefits.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

State Departments and Local Governmental Units

The proposed legislation may potentially increase costs to state departments and local governmental units as a result of contributing payroll taxes into the LA Family and Medical Leave Account Fund.

LA Workforce Commission

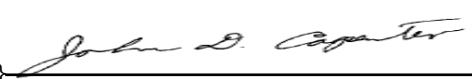
The proposed legislation is anticipated to significantly increase statutory dedication expenditures by an indeterminable amount within the LA Workforce Commission (LWC) to administer the newly created LA Family and Medical Leave Benefits Act (LA FMLA) program. The LWC has indicated they would create a new division within the department to administer the LA FMLA program. The proposed legislation requires the LA FMLA to be modeled after the current Unemployment Insurance program. In addition, this measure requires LWC to enforce the LA FMLA program and authorizes civil fines for violations. The fiscal note assumes that any fines will be collected by the LWC. For illustrative purposes, the actual cost to administer the current unemployment insurance program within LWC was \$24.9 M and 266 T.O. positions in FY 14, which does not include the cost of enforcement as required by this measure.

Treasurer

This proposed legislation creates the LA Family and Medical Leave Account (LA FMLA) Fund in the state treasury. The Legislative Fiscal Office anticipates a minimum workload increase associated with the creation and reporting requirement of the LA FMLA Account Fund in the state treasury. However, the treasurer has noted that if the number of special and administrative funds increases significantly during the 2015 Regular Session this may cause a workload increase.

REVENUE EXPLANATION

This measure is silent regarding the collection of payroll tax contributions from employers and employees to finance the LA Family and Medical Leave Account Fund. However, a companion bill, HB 703, authorizes the collection of payroll taxes to finance the LA FMLA. HB 709 provides that payroll taxes will be collected utilizing the same assessment rate and same insurance benefit payment as Unemployment Insurance program. Therefore, the LFO assumes that the LWC would not establish and administer the LA FMLA program until HB 703 become law or state general funds are appropriated.

Senate	Dual Referral Rules	House	<input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	 John D. Carpenter Legislative Fiscal Officer
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {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}		