



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 624** HLS 25RS 160
Bill Text Version: **RE-REENGROSSED**
Opp. Chamb. Action: **w/ SEN COMM AMD**
Proposed Amd.:
Sub. Bill For.:

Date: June 8, 2025	1:27 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 COMMISSIONRR1 INCREASE GF EX See NotePage 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 10/01/25 (FY 26); Fraud Detection Fund effective 10/01/25 (FY 26); DDS effective 10/01/25 (FY 26); SNAP effective 10/01/25 (FY 26) and TANF effective 10/01/27 (FY 28). Proposed law renames LWC to LA Works effective 10/01/25 (FY 26).

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	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	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 is not anticipated to have a direct material effect on expenditures within the newly renamed LA Works (formerly LA Workforce Commission - LWC) for administering SNAP, CSE, and STEP workforce development programs and the TANF program. 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 horizon of this fiscal note.

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, there is no anticipated direct material effect on governmental expenditures as a result of the transfer of work development programs and associated employees. The transfer of economic stability programs will begin with all employment and training programs under DCFS being administered by LWC/LA Works. The Office of Technology Services (OTS) reports that DCFS and LWC/LA Works will work together and continue to utilize current IT systems - Helping Individuals Reach Employment (HiRE) in LWC/LA Works and LA Integrated Technology for Eligibility (LITE), SNAP Works, and CSE Works in DCFS. Therefore, the transfer is not anticipated to result in any additional IT expenditures. In future fiscal years, integration of these IT systems will be incorporated into scheduled upgrades and maintenance, which will occur outside the five-year horizon of this fiscal note.

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REVENUE EXPLANATION

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

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
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 26, upon Federal approval, the DDS program will be transferred to LDH on 10/01/25.

Phase 4 - TANF to LWC/LA Works: In FY 28, upon Federal approval, the remaining TANF programs will be transferred on 10/01/27. 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 horizon 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 (transfer of SNAP) and FY 28 (transfer of TANF) as well as subsequent fiscal years. The LFO has requested and is awaiting information from DCFS regarding the impact to its PACAP in FY 26 as a result of transferring SNAP. Since the full transfer of the TANF program will not happen until FY 28, the department has two fiscal years to address the impact on its operations under this measure.

Elimination of LWC/LA Works Positions

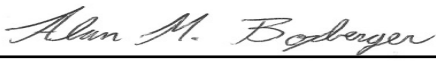
Proposed law requires LWC/LA Works to reduce 40 T.O. positions no later than 10/01/27 (FY 28). The department has indicated that the positions will be reduced through natural attrition. The department reports savings of \$2.8 M (\$239,535 Worker’s Compensation Administration Fund; \$61,843 Second Injury 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 effective 10/01/25 in FY 26. 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)	10/01/2025 (FY 26)
Phase 2: SNAP (DCFS to LDH)	10/01/2025 (FY 26)
Phase 3: Disability Determinations (DCFS to LDH)	10/01/2025 (FY 26)
Phase 4: TANF (DCFS to LWC/LA Works)	10/01/2027 (FY 28)
Transfer Fraud Detection Fund to LDH	10/01/2025 (FY 26)
Elimination of LWC/LA Works Positions (40 T.O. positions)	10/01/2027 (FY 28)
Name Change - LWC to LA Works	10/01/2025 (FY 26)

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
<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