

NOTICE OF INTENT

Department of Labor Office of Workers Compensation

Workforce Training
(LAC 40:XVI.Chapter 1)

Notice is hereby given in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq. and R.S. 23:1514, that the Office of Workforce Development of the Department of Labor proposes to amend Part XVI, Chapter 1 of the administrative rules of the Department of Labor. The proposed amendments will implement a new pre-employment training program and other changes to the Incumbent Worker Training Program enacted by Act 59 of the 2007 Regular Session of the Louisiana Legislature. The proposed amended Rules will promote the public interest and benefit workers and employers by funding job training tailored to meet their specific job skill needs.

Title 40

LABOR AND EMPLOYMENT

Part. XVI. Workforce Training

Chapter 1. Incumbent Worker Training Fund

§101. Purpose and Definitions

A. This program provides assistance to companies and workers by providing training for incumbent workers or prospective employees in order to upgrade their job skills to meet specific industry needs and skill requirements.

B. Definitions

Account—the Incumbent Worker Training Account.

Administrative Services—include, but are not limited to planning, scheduling and coordination with the employer and subcontractors in order to insure timely commencement and acceptable progression of training; acting as fiscal agent for the contract (i.e., receiving payments from LDOL and paying vendors, other training providers, subcontractors, and others to whom payments are owed); submission of all required reports, invoices and supporting documentation in a timely and acceptable manner; ordering, receiving, installing and maintaining equipment, materials, supplies and non-consumables; and execution of timely corrective action plans to address problems with program progress.

Applicant—the business, consortium or organization requesting training assistance from LDOL under this program including a registered joint labor and employer group-administered apprenticeship program under Section 103.A.2.

Award—funding approved under this program for eligible training activities.

Awardee—an applicant receiving a training award under this program.

Contract—a legally enforceable agreement between LDOL, the awardee and the primary training provider governing the terms and conditions of the training award, except that, if an awardee is to do all training with its own employees, a training provider shall not be a party to the contract.

Customized Training—training designed to meet the special needs and skill requirements of the applicant, which may include specialized curriculums, instructional materials, training delivery methods, and training locations. Customized training also may include standardized courses.

Fiscal Year—July 1 through June 30.

Incumbent Worker—a worker who is currently on the payroll of the applicant.

LDOL—the Louisiana Department of Labor.

Pre-employment Training—customized training for non-incumbent workers.

Primary Training Provider—the training provider responsible for the administrative services of the contract.

Secretary—the Secretary of the Department of Labor.

Small Business Employee Training—off-the-shelf training available to businesses having 50 or fewer employees. This training is not customized to the needs of the individual applicant and must be offered by a training provider at the time the application is filed with LDOL. Training is to be administered in accordance with Section 113.

Supplant—diversion of normal training funding for other uses because training funds are awarded under the Incumbent Worker Training Program.

Training Provider—any entity providing the customized training for the awardee. Training providers may include the primary training provider and subcontractors of the primary training provider who assist in providing the customized training. An awardee that performs all or any portion of the training with its own employees is not a training provider for the purpose of interpreting these rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 23:1514.

HISTORICAL NOTE: Promulgated by the Department of Labor, Office of Workforce Development, LR 25:1142 (June 1999), amended LR 26:1629 (August 2000), LR 29:2497 (November 2003), amended by the Department of Labor, Office of the Secretary, LR 30:2329 (October 2004), amended by Department of Labor, Office of Workforce Development, LR 33:

§103. Eligibility

A. An applicant is eligible to obtain customized, pre-employment or small business employee training if it meets either of the following criteria.

1.a. The applicant is an individual employer or a consortium made up of two or more eligible employers who meet all of the following requirements:

i. have been operating in Louisiana for not less than three years;

ii. are contributing to the account, for which liability is incurred under this Chapter;

iii. are current on the payment of their state unemployment taxes. An awardee must maintain current status on payment of its state unemployment taxes throughout its contract.

b. In the case of a buyout, merger or succession, LDOL will rely on the Louisiana Employment Security Law, R.S. 23:1471 et seq., as applied by the Tax Operations Unit of the Office of Unemployment Insurance Administration, to determine whether, in applying this requirement, an applicant will carry over the experience-rating record of a predecessor or acquired entity.

2. The applicant is a labor or community-based organization, a registered joint labor and employer group-administered apprenticeship program, or a consortium made up of any combination of educational institutions, eligible individual employers or labor or community based organizations, that seek to provide customized or pre-employment training for workers who meet all of the following requirements:

a. Are in a demand occupation.

b. Are incumbent to an industry.

c. Were attached to a contributing employer within the last twelve months.

d. Are not receiving unemployment insurance benefits at the time of training.

B. Qualified businesses currently receiving training for their employees may, upon the expiration of contracts, be awarded new training grants for training of employees, including previously trained employees.

C.1. All applications by eligible applicants for customized and/or pre-employment training shall be submitted in conjunction with the primary training provider selected by the applicant to provide the customized training, unless all training is to be performed by the applicant's employees, in which case the application shall be submitted by the applicant.

2. Training may be provided by the awardees employees rather than by a training provider when the secretary determines that such training is in the best interest of the applicant and the trainees. Documentation shall be submitted to support the need for using the applicants employees as instructors (e.g., training requested is highly technical or specific to the company, or lack of training or resources such as instructors, equipment, flexible training schedules or curricula from local training providers). Auditing procedures that require more frequent on-site auditing reviews in order to ensure compliance with the terms and conditions of the training award contract will apply. Requirements governing training providers (e.g., accreditation, certification, licensing, training history, related parties) are not applicable to training done by an awardees employees.

3. Training providers must demonstrate a history of:

a. successful training through participant and employer satisfaction results;

b. collaboration with the targeted industry in the development of customized training; and

c. use of a current industry standard as the basis for programs utilized to train students for employment in the targeted industry.

D. Nothing contained herein shall prohibit the selection of a Louisiana accredited public or private educational institution, a public or private licensed proprietary school, an independently certified training program, or other training programs possessing similar independent sanction appropriate to the training provided, that have demonstrated a history of successful training to LDOL, as a training provider.

E. Applicants seeking a training award may not select as a training provider:

1. any entity whose principal owner is an immediate family member, as defined in the Code of Governmental Ethics, of an individual in a management position with the employer who has the authority to make decisions regarding the training program; or

2. any related business such as a parent, subsidiary, or partner business of the applicant.

AUTHORITY NOTE: Promulgated in accordance with R.S. 23:1514.

HISTORICAL NOTE: Promulgated by the Department of Labor, Office of Workforce Development, LR 25:1142 (June 1999), amended LR 29:2498 (November 2003), amended by Department of Labor, Office of Workforce Development, LR 33:

§105. Criteria for Customized and Pre-employment Training

A. Applicants receiving awards must provide evidence satisfactory to LDOL of their long-range commitment to employee training and that funds will be used to supplement and not supplant existing training efforts.

B. No single applicant shall receive more than 10 percent of the annual amount appropriated to the account. Additionally, no single employer or consortium shall receive more than 10 percent of the annual amount set aside for pre-employment training by the secretary. An employer with multiple operation sites and a single unemployment insurance tax identification number shall be limited to a single application which may encompass training at the various sites, so long as the amount awarded under the application does not exceed the maximum award amount. When an employer has more than one site and each site maintains a different unemployment insurance tax identification number, the employer may apply for a separate training award under each tax identification number. No applicant may receive customized and/or pre-employment training concurrently with small business employee training.

C. Applicants must request training for at least 15 employees and where applicable, the training provided must meet, at the minimum, the safety standards determined by OSHA.

D. Special emphasis shall be placed on entry level and labor demand occupation incumbent worker training programs to meet specific industry needs and skill requirements.

E. Preference will be given to applicants that have:

1. proposed to share the cost of training expenses;

2. donated materials, equipment, or instructors to public training providers, secondary and postsecondary vocational-technical schools, or community colleges within the state;

3. hired recent recipients of public assistance such as Workforce Investment Act (WIA), unemployment benefits, Family Independence Temporary Assistance Program (FITAP) and rehabilitative services;

4. hired individuals recently released from a correctional facility;

5. participated in a workplace safety consultation with employees of the Office of Workers Compensation Administration;

6. listed job openings with LDOL; and/or

7. never received a training award under this program.

F.1. The secretary may annually set aside an amount up to 10 percent of the amount appropriated to the account by the legislature for pre-employment training in any year in which the legislature appropriates funds for training equal to or exceeding those funds appropriated in the previous year to the Rapid Response Fund created by R.S. 51:2361 or the Louisiana Economic Development Fund created by R.S. 51:2315 the secretary may set aside an amount not to exceed 10 percent of the Incumbent Worker Training Programs annual appropriation for pre-employment training.

2. Pre-employment training shall only be available to an applicant that:

a. has entered into a contract with the Louisiana Department of Economic Development (LED) related to expansion of the applicants Louisiana operations;

b. agrees to stated job placement outcomes. The applicant shall agree to hire a specified number or percent of

the trainees who complete training, which shall be determined on a case-by-case basis by the secretary taking into account, in consultation with the Louisiana Department of Economic Development (LED), the economic impact of the training to be provided, the general demand for the skills for which training is provided, the amount of pre-employment funds to be provided to the applicant by LDOL, the percent and amount of the employers matching contribution, and other factors the secretary deems relevant to the individual application;

c. agrees to make a matching monetary contribution as required by the secretary of up to 50 percent of the total training cost. An employer may offer to make a larger matching contribution, which the secretary may take into account in deciding required job placement outcomes;

d. agrees to pay trainees who are hired wage rates commensurate with the pre-employment training provided. Whether wage rates are commensurate shall be based upon consideration of the competitive wage rates paid to other employees in the job market having skills, training and experience comparable to that of the trainees.

3. In making award decisions, the secretary also may consider other relevant factors, including, but not by way of limitation, the employer's commitment to provide future training after the expiration of its contract.

AUTHORITY NOTE: Promulgated in accordance with R.S. 23:1514.

HISTORICAL NOTE: Promulgated by the Louisiana Department of Labor, Office of Workforce Development, LR 25:1143 (June 1999), amended LR 26:1629 (August 2000), LR 28:2203 (October 2002), LR 29:2498 (November 2003), amended by the Department of Labor, Office of the Secretary, LR 30:2329 (October 2004), amended by Department of Labor, Office of Workforce Development, LR 33:

§107. Application Procedure for Customized and Pre-employment Training

A. LDOL will provide a standard form which applicants will use to apply for assistance. The application form will contain, but not be limited to, detailed descriptions of the following:

1. an overview of the company, its history, and the business climate in which it operates;

2. the company's overall training plan, including:

a. a summary of the types and amount of training currently provided by the company and a description of how the company determined its training needs; and

b. the specific training programs for which LDOL assistance is requested including descriptions of the training methods, the training providers, and the costs associated with the proposed training; and

3. any additional information the secretary may require.

AUTHORITY NOTE: Promulgated in accordance with R.S. 23:1514.

HISTORICAL NOTE: Promulgated by the Department of Labor, Office of Workforce Development, LR 25:1143 (June 1999), amended LR 26:1630 (August 2000, amended by Department of Labor, Office of Workforce Development, LR 33:

§109. Submission and Review Procedure for Customized and Pre-employment Training

A. Applicants must submit their completed application to LDOL. Submitted applications will be reviewed and evaluated by LDOL staff. All applications will be measured using a rating system as an evaluation tool that will enable LDOL staff to determine which applications should receive

approval, be deferred to future funding cycles, or be denied outright. Input may be required from the applicant, other divisions of LDOL and other state agencies as needed, in order to:

1. understand the labor market conditions the proposed training is seeking to mitigate;

2. evaluate the strategic importance of the proposed training to the economic well-being of the state and local communities;

3. determine whether the employer's specific needs are best met by training;

4. identify the availability of existing training programs which could be adapted to meet the employer's needs;

5. identify the resources the business can provide to support the training, including trainers, facilities, materials and equipment;

6. identify or develop appropriate curricula; and

7. determine the most cost effective approach to meet the employers training need. The applicant may be required to submit cost justification information.

B.1. Upon determination that an application meets the eligibility criteria for this program and is beneficial to the applicant, employees and the state, LDOL staff will then make a recommendation to the secretary. The application will then be reviewed by and is subject to the approval of the secretary.

2. Copies of approved applications shall be sent to the executive director and chairperson of the Louisiana Workforce Commission quarterly.

3. The secretary will issue a letter of commitment to the applicant within five working days of approving the application.

AUTHORITY NOTE: Promulgated in accordance with R.S. 23:1514.

HISTORICAL NOTE: Promulgated by the Louisiana Department of Labor, Office of Workforce Development, LR 25:1143 (June 1999), amended LR 26:1630 (August 2000), LR 29:2498 (November 2003), amended by the Department of Labor, Office of the Secretary, LR 30:2329 (October 2004), amended by Department of Labor, Office of Workforce Development, LR 33:

§111. General Award Provisions for Customized and Pre-employment Training

A. Contract Procedures

1. A contract will be executed between LDOL, the awardee and the primary training provider unless all training is to be provided by the awardees employees, in which case the contract will be executed between LDOL and the awardee only. The contract will specify the performance objectives expected of the awardee and the primary training provider and the compliance requirements to be enforced in exchange for state assistance, including, but not limited to, time lines for job training.

2. LDOL will reimburse the primary training provider or, if all training is to be performed by the awardees employees, the awardee upon completion of training based on invoices and supporting documentation submitted in a manner prescribed by LDOL.

3. Customized training awards may be used for training programs extending up to one year in duration, or up to two years if sufficient justification is submitted to support the additional time requested.

4. Pre-employment training awards may be used for training programs extending up to one year.

B. Use of Funds

1. The account offers financial assistance in the form of a grant for reimbursement of eligible training costs specified in the award agreement.

2. Eligible training costs may include the following:

a. tuition costs, which may include the cost of courses at a Louisiana accredited public or private educational institution, a public or private licensed proprietary school, an independently certified training program, or other training programs possessing similar independent sanction appropriate to the training provided, that have demonstrated a history of successful training to LDOL. Such costs may include the cost of courses, contracts for vendor trainers, training seminar fees, and wages, but not the cost of related benefits, for instructors employed by the awardee;

b. trainees travel costs are limited to 30 percent of the total training award and are reimbursable if provided for in the contract, but only to the extent permitted by State Travel Regulations, PPM 49;

c. materials and supplies costs for items such as training texts and manuals, audio/visual materials, skills assessment (documents or services to determine training needs), raw materials (for-training purposes only), Computer Based Training (CBT) software; and office supplies used for contract-related purposes;

d. facility rental associated with the training contract;

e. screening, skills assessment and testing costs, but said services shall be coordinated and administered through LDOL;

f. for pre-employment training only, remediation costs;

g.i. payment for administrative services performed by a training provider in a total amount not to exceed 10 percent of the amount of the grant. Administrative costs will be negotiated on a contract-by-contract basis. In determining the maximum base amount of payments for administrative services the cost of equipment shall be excluded. Where more than 25 percent of the tuition cost is outsourced by the primary training provider to one or more other training providers, LDOL may further reduce payment of the administrative services base amount.

ii. Administrative services base amount payments must be earned and are payable only upon performance of the specific administrative services required by the training contract. A payment schedule for specified administrative services tasks shall be included in every contract, but, except for the additional payment permitted in subparagraph (c), the department will not pay base amount administrative services payments that exceed 10 percent of allowable invoiced training costs, excluding the cost of equipment, and no payment for administrative services will be made until training has commenced.

iii. LDOL shall require the reporting and documentation of all base amount administrative services performed. If the primary training provider or applicant fails to perform all required administrative services, LDOL shall reduce payment for administrative services by a corresponding amount.

iv. In addition to base amount administrative services payments, LDOL will reimburse the wages, but not the cost of related benefits, of primary training provider staff related to the purchase of equipment when supported by

certified source documentation of the staff time devoted to equipment purchase administrative services tasks.

3. Training costs ineligible for reimbursement include:

a. trainee wages and fringe benefits;

b. non-consumable tangible property (e.g., equipment, calculators, furniture, classroom fixtures, non-Computer Based Training (CBT) software), unless such property will be owned by a public training provider at the conclusion of the training contract;

c. out-of-state schools;

d. employee handbooks;

e. scrap produced during training;

f. food, and refreshments;

g. awards and certificates; and

h. administrative costs of training providers other than the primary training provider, and administrative costs of an awardee, even if the awardee provides some or all training with its own employees.

C. Conditions for Disbursement of Funds

1. Funds will be available for payment following submission of original invoices and supporting documentation as prescribed by LDOL to the attention of the Incumbent Worker Training Program director, Office of Workforce Development, by mail or hand delivery. Only funds spent or administrative services performed on the project after the secretary signs the contract will be considered eligible for reimbursement or payment. LDOL shall make a determination regarding an invoice within 15 working days after receipt of the invoice and will make payment within 15 working days of approval of said invoice. Certain invoices that need priority attention shall be clearly marked "priority" and LDOL shall make a good faith effort to expedite the processing of such invoices. Invoices regarding the purchase of equipment must be accompanied by documentation confirming delivery.

2. Invoices will be eligible for payment at 100 percent of the total invoice amount until the sum of disbursements under a contract are equal to 90 percent of the total grant award. After the applicant and the primary training provider have achieved 100 percent of their contracted performance objectives or have substantially complied with the terms of the contract as determined by the secretary, the remaining 10 percent of the grant award will be made available for payment.

3. All disbursements of funds shall be made to the primary training provider responsible for the administration of the contract unless all training on the grant is performed by the awardees employees, in which case payment shall be made directly to the awardee.

D. Compliance Requirements

1. Primary training providers, or if all training is performed by the awardees employees, the awardee shall be required to complete quarterly reports describing progress toward the performance objectives specified in their contract. Primary training providers shall also be responsible for providing documentation to LDOL on a quarterly basis regarding the satisfaction of the business receiving training under the contract. All quarterly reporting must be submitted in a format prescribed by LDOL.

2. In the event the applicant or primary training provider fails to meet the performance objectives specified in its contract, LDOL shall retain the rights to withhold award funds, modify the terms and conditions of the award, and to reclaim disbursed funds from the awardee and/or

primary training provider in an amount commensurate with the scope of the unmet performance objectives and the foregone benefits to the state.

3. In the event LDOL decides to withhold award funds, modify the terms and conditions of an award, or reclaim disbursed funds from the awardee and/or primary training provider, LDOL shall provide written notice of such determination to the awardee and primary training provider within three working days of such decision.

a. The awardee or primary training provider may appeal an adverse decision made by LDOL by providing written notice of objection to the program director within five working days of receipt of the adverse decision. If a request for an appeal is made, then the appellant shall submit documentation to support the appeal within ten working days after forwarding notice of the appeal. The program director shall review the evidence submitted and render a written decision within 20 working days after receiving notice of the appeal. If no appeal is filed within the applicable time period, the decision of LDOL shall become final.

b. If after review of the appeal the program director renders a decision that is adverse to the appellant, then the matter shall be subject to review by the commissioner of administration pursuant to R.S. 39:1524 and 39:1525.

4. In the event an applicant, awardee or primary training provider knowingly files a false statement in its application or in a progress report, the applicant, awardee or primary training provider shall be guilty of the offense of filing false public records and shall be subject to the penalty provided for in R.S. 14:133.

5. LDOL may require and/or conduct financial and performance audits of a project, including all relevant records and documents of the training provider(s) and awardee. Said records shall be preserved for the same period of time as would be required by the Louisiana Public Records Law, R.S. 44:1 et seq.

AUTHORITY NOTE: Promulgated in accordance with R.S. 23:1514.

HISTORICAL NOTE: Promulgated by the Department of Labor, Office of Workforce Development, LR 25:1143 (June 1999), amended LR 26:1630 (August 2000), amended by the Department of Labor, Office of the Secretary, LR 30:2330 (October 2004), amended by Department of Labor, Office of Workforce Development, LR 33:

§113. Small Business Employee Training Program General Award Provisions

A. For purposes of this Part, small business is defined as a Louisiana based business that has 50 or fewer employees and is an eligible applicant as outlined in Section 103.A.1. The applicant will be reimbursed for the eligible costs associated with the training once the training has been completed and proper documentation has been submitted to LDOL.

B. An applicant cannot receive customized and/or pre-employment training and small business employee training concurrently.

C. The applicant must submit the Small Business Employee Training Program application in a format prescribed by LDOL and receive LDOL approval, in writing, prior to the start of any training.

D. The applicant must be current on all state UI tax obligations and maintain such status throughout the award period.

E. Trainees must be incumbent workers for whom the applicant incurs a state unemployment tax liability under R.S. Title 23, Chapter 11.

F. The request for training must be in a labor demand occupation as defined in the Workforce Investment Act of 1998 (WIA) or cluster based industry as defined in Vision 2020.

G. Small business training shall consist of one or more of the following:

1. taking a class, either non-credit or credit, at a Louisiana accredited public or private educational institution, a public or private licensed proprietary school, an independently certified training program, or other training programs possessing similar independent sanction appropriate to the training provided, that have demonstrated a history of successful training to LDOL. Training providers must be domiciled in Louisiana;

2. receiving training from a manufacturer or its representative within one year of the purchase of equipment valued at more than \$3000 where the training is not otherwise incorporated into the purchase price of the equipment;

3. receiving training from a manufacturer or its representative in order to upgrade computer skills; and/or

4. receiving training from a national, regional or state trade association that offers an independently certified training curricula and testing or courses sponsored and sanctioned by the trade association, which can demonstrate a successful training history of at least five years.

H. Training costs shall not exceed \$3000 per trainee per fiscal year.

I. Training costs are limited to the following:

1. tuition; and

2. required textbooks and manuals.

J. Training must be completed by the end of the state fiscal year in which it was begun.

K. Upon completion of the training, the awardee must submit invoices for training expenditures along with proof of payment, proof of completion from the training provider, as well as proof of a pay increase or wages that were paid for the training hours attended, all within 30 days of the completion of the training.

L. An application shall be deemed approved by LDOL upon written approval of the Secretary of Labor or their designee. A letter of approval shall be forwarded to the applicant within five working days of approval of the application.

M. The Small Business Employee Training Program shall be funded at 2.3 percent of all funds available for training.

AUTHORITY NOTE: Promulgated in accordance with R.S. 23:1514.

HISTORICAL NOTE: Promulgated by the Louisiana Department of Labor, Office of Workforce Development, LR 29:2499 (November 2003), amended by the Department of Labor, Office of the Secretary, LR 30:2330 (October 2004), amended by Department of Labor, Office of Workforce Development, LR 33:

Family Impact Statement

1. What effect will this Rule have on the stability of the family? These Rules affect the family by developing employees job skills, facilitating employment, promoting job security, and raising workers pay, which in should support family stability.

2. What effect will this have on the authority and rights of persons regarding the education and supervision of their children? There will be no effect on the authority and

rights of persons regarding the education and supervision of their children.

3. What effect will this have on the functioning of the family? This will improve the functioning of affected families by facilitating employment, promoting job security and raising workers pay.

4. What effect will this have on family earnings and family budget? This will help stabilize employment and develop job skills, which will raise workers pay.

5. What effect will this have on the behavior and personal responsibility of children? There will be no effect on the behavior and personal responsibility of children.

6. Is the family or local government able to perform the function as contained in this proposed Rule? This program provides workers with training that they have not been able to obtain on their own.

All interested persons are invited to submit written comments on the proposed Rules to Michael L. Harris, Director, Incumbent Worker Training Program, Department of Labor, 5615 Corporate Blvd., Suite 300, Baton Rouge, LA 70808 or by fax at (225) 925-3631. A public hearing on the proposed Rules will be held on Tuesday, October 30, 2007, at 9 in the Fourth Floor Administrative Building Auditorium, 1001 N. 23rd Street, Baton Rouge, LA 70802. All interested parties will be afforded an opportunity to submit data, views, or arguments, orally or in writing, at said hearing. Written comments will be accepted until 4:30 p.m. on Monday, October 29, 2007. No preamble for these proposed Rules is available.

John Warner Smith
Secretary

on changes made by Act 59 of the 2007 Regular Legislative Session and the proposed rule amendments (see Roman numeral I above for more details on these changes). There will be no effect on revenue collections of local governmental units as a result of these proposed rule amendments.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

Business assessments for the Incumbent Worker Training Account could increase or decrease each year based on changes made by Act 59 of the 2007 Regular Legislative Session and the proposed rule amendments (see Roman numeral I above for more details on these changes). The proposed rule amendments may economically benefit employers and employees by permitting them to receive training under the program under additional circumstances such as pre-employment training allowed by Act 59 of the 2007 Regular Legislative Session.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule changes should not significantly effect competition and employment among those awarded grants for customized training, pre-employment training or small business employee training. However, successful applicants who are awarded training funds, compared to entities that do not receive the funds, may gain some advantage. Employees of organizations benefiting from awards should be better trained, more productive and more efficient.

John Warner Smith
Secretary
0709#056

Robert E. Hosse
Staff Director
Legislative Fiscal Office

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES RULE TITLE: Workforce Training

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

State expenditures for the Incumbent Worker Training Program could increase or decrease each year based on the proposed rule amendments. Act 1053 of the 1997 Regular Legislative Session established the Workforce Training Account. During the 1999 Regular Session, the Louisiana Legislature increased the appropriation into this account from a fixed \$6 million per year to \$6 million, \$35, or \$50 million per year depending on the balance of the Unemployment Insurance Trust Fund as determined by the Revenue Estimating Conference each September. Act 59 of the 2007 Regular Legislative Session also changed the name of the account to the Incumbent Worker Training Account and changed the amounts appropriated to the account to \$0, \$20 million, or \$35 million per year based on the Unemployment Trust Fund balance as determined by the Revenue Estimating Conference each September. Act 59 also gave the Secretary of the Labor the discretion to annually set aside an amount up to 10 percent of the amount appropriated to the account by the legislature for pre-employment training in any year in which the legislature appropriates funds for training equal to or exceeding those funds appropriated in the previous year to the Rapid Response Fund created by R.S. 51:2361 or the Louisiana Economic Development Fund created by R.S. 51:2315.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

Statutorily dedicated revenues for the Incumbent Worker Training Account could increase or decrease each year based