

Regular Session, 2014

SENATE BILL NO. 526

BY SENATOR ALARIO AND REPRESENTATIVE KLECKLEY

FUNDS/FUNDING. Provides for enactment of the Workforce and Innovation for a Stronger Economy (WISE) Fund. (gov sig)

1 AN ACT

2 To enact R.S. 17:3138.2, relative to public postsecondary funding to meet workforce needs;
3 to establish the Workforce and Innovation for a Stronger Economy Fund; to provide
4 for the dedication, deposit, use, and investment on monies in the fund; to provide for
5 a statewide workforce demand and gap analysis; to provide for a Workforce and
6 Innovation for a Stronger Economy Fund Strategic Planning Council as an
7 independent subcommittee of the Board of Regents; to provide for reporting
8 requirements; to provide for an effective date; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 17:3138.2 is hereby enacted to read as follows:

11 **§3138.2. Workforce and Innovation for a Stronger Economy Fund**

12 **A. The "Workforce and Innovation for a Stronger Economy Fund",**
13 **hereinafter referred to in this Section as the "fund", is hereby created within**
14 **the state treasury as a special fund for the purpose of funding degree and**
15 **certificate production and research productivity in high demand fields through**
16 **programs offered by Louisiana's public higher education institutions to meet**
17 **the state's current and future workforce needs.**

1 **B. Monies in the fund shall be invested in the same manner as monies**
2 **in the general fund. Interest earned on investment of monies in the fund shall**
3 **be credited to the fund. Unexpended and unencumbered monies in the fund at**
4 **the end of the fiscal year shall remain in the fund.**

5 **C. The state treasurer is directed to deposit into the fund at the**
6 **beginning of each fiscal year no less than forty million dollars. Monies in the**
7 **fund shall be appropriated and administered as provided in Subsections D, E,**
8 **and F of this Section.**

9 **D.(1) Monies in the fund shall be appropriated to the Board of Regents**
10 **to be distributed and used in accordance with a statewide workforce demand**
11 **and gap analysis to be developed and provided in Subsection E and F of this**
12 **Section.**

13 **(2) Funding shall only be distributed by the Board of Regents upon**
14 **receipt of certification by the management board on behalf of the receiving**
15 **institution that a match no less than twenty percent of the amount to be**
16 **distributed has been guaranteed by a private non-state or non-federal entity.**
17 **The certification shall detail the type of private match to be provided, which**
18 **shall include cash, in-kind donation of technology, construction materials,**
19 **facility modification or construction, internships, scholarships, sponsorship of**
20 **staff or faculty, endowed faculty or tangible property. However, the Workforce**
21 **and Innovation for a Stronger Economy Fund Strategic Planning (WISE)**
22 **Council pursuant to Subsection F may waive this Paragraph to allow donation**
23 **types not herein authorized upon request of the system president.**

24 **(3) The funds allocated pursuant to this Section shall be expended**
25 **towards the degree and certificate production and research productivity targets**
26 **pursuant to the workforce demand and gap analysis produced by the WISE**
27 **Council and according to implementation plans which shall be created by each**
28 **system president.**

29 **E.(1) The president-chancellor of the Louisiana State University System,**

1 president of the Southern University System, president of the University of
2 Louisiana System, president of the Community and Technical College System,
3 and the commissioner of higher education in consultation with the secretary of
4 the Department of Economic Development, executive director of the Louisiana
5 Workforce Commission, and the chairman of the Louisiana Workforce
6 Investment Council shall develop the distribution and allocation of monies in
7 the fund in alignment with the statewide workforce demand and gap analysis
8 as provided in Subsection F.

9 (2) A method of distribution of funds based on:

10 (a) Degree and certificate production in fields required for Four and
11 Five Star Jobs, or its successor, as defined by the Louisiana Workforce
12 Commission and weighted by cost.

13 (b) Federally funded research expenditures as defined by the National
14 Science Foundation.

15 F.(1) A Workforce and Innovation for a Stronger Economy Fund
16 Strategic Planning Council, hereafter referred to as the "WISE Council", shall
17 be established as an independent subcommittee of the Board of Regents and
18 shall be comprised of the president-chancellor of Louisiana State University, the
19 president of the Southern University System, the president of the University of
20 Louisiana System, the president of the Community and Technical College
21 System, the commissioner of higher education, the secretary of the Department
22 of Economic Development, the executive director of the Louisiana Workforce
23 Commission, and the chairman of the Workforce Investment Council, or their
24 successors.

25 (2) The WISE Council shall review and approve a statewide workforce
26 demand and gap analysis which shall be approved by the Board of Regents.

27 (3) The statewide workforce and gap analysis shall include:

28 (a) Statewide and regional degree and certificate production and
29 research productivity targets based on an analysis of credential completion and

1 **workforce demand.**

2 **(b) A prioritization of high demand degree and certificate production**
3 **based on data provided by Department of Economic Development and the**
4 **Louisiana Workforce Commission.**

5 **(4) The system presidents shall report annually to the WISE Council on**
6 **progress towards degree and certificate and research productivity targets and**
7 **implementation plans.**

8 **G. The statewide workforce demand and gap analysis, including any**
9 **revisions, distribution of funds, and implementation plans shall be posted on the**
10 **Board of Regents' website.**

11 **H. The WISE Council may create policies and procedures for its own**
12 **management but may meet no less than four times per year.**

13 **I. The Board of Regents, on behalf of postsecondary education, shall**
14 **provide annual reporting to the Senate Committee on Education, Senate**
15 **Committee on Finance, the House Committee on Education, and the House**
16 **Committee on Appropriation as provided in Subsection G.**

17 **J. The Board of Regents shall promulgate rules developed jointly and**
18 **collaboratively by the commissioner of higher education and the system**
19 **presidents for the administration of the fund. Prior to final adoption, the rules**
20 **shall be approved by the WISE Council.**

21 **K. The fund is in addition to, and separate from, any monies**
22 **appropriated or allocated to any postsecondary management board. Allocations**
23 **from this fund shall not be included in the Board of Regents' funding formula**
24 **calculation, nor shall it supplant any allocations provided to institutions**
25 **through the funding formula. The availability of the fund shall not in any way**
26 **substitute, limit, or otherwise affect the allocation of any funds otherwise**
27 **available to those institutions under state or federal laws.**

28 Section 2. This Act shall become effective upon signature by the governor or, if not
29 signed by the governor, upon expiration of the time for bills to become law without signature

1 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 2 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 3 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part
 of the legislative instrument, were prepared by Jerry J. Guillot.

DIGEST

Alario (SB 526)

Proposed law creates the "Workforce and Innovation for a Stronger Economy Fund," hereinafter "fund," within the state treasury as a special fund for the purpose of funding degree and certificate production and research productivity in high demand fields through programs offered by Louisiana's public higher education institutions to meet the state's current and future workforce needs. Provides that monies in the fund shall be invested in the same manner as monies in the general fund. Provides that interest earned on investment of monies in the fund shall be credited to the fund and that unexpended and unencumbered monies in the fund at the end of the fiscal year shall remain in the fund.

Directs the state treasurer to deposit into the fund at the beginning of each fiscal year no less than \$40 million. Provides that monies in the fund shall be appropriated and administered as provided in proposed law.

Provides that monies in the fund shall be appropriated to the Board of Regents (board) to be distributed and used in accordance with a statewide workforce demand and gap analysis to be developed and provided in proposed law. Provides that funding shall only be distributed by the board upon receipt of certification by the management board on behalf of the receiving institution that a match no less than 25% of the amount to be distributed has been guaranteed by a private non-state or non-federal entity. Provides that the certification shall detail the type of private match to be provided, which shall include cash, in-kind donation of technology, construction materials, facility modification or construction, internships, scholarships, sponsorship of staff or faculty, endowed faculty or tangible property. However, the Workforce and Innovation for a Stronger Economy Fund Strategic Planning (WISE) Council may waive this requirements of proposed law to allow donation types not authorized by proposed law upon request of the system president.

Provides that funds allocated shall be expended towards the degree and certificate production and research productivity targets pursuant to the workforce demand and gap analysis produced by the WISE Council and according to implementation plans which shall be created by each system president.

Provides that the president-chancellor of the Louisiana State University System, president of the Southern University System, president of the University of Louisiana System, president of the Community and Technical College System, and the commissioner of higher education in consultation with the secretary of the Department of Economic Development (DED), executive director of the La. Workforce Commission (LWC), and the chairman of the La. Workforce Investment Council shall develop the distribution and allocation of monies in the fund in alignment with the statewide workforce demand and gap analysis.

Provides a method of distribution of funds based on:

- (1) Degree and certificate production in fields required for Four and Five Star Jobs, or its successor, as defined by the LWC and weighted by cost.
- (2) Federally funded research expenditures as defined by the National Science

Foundation.

Establishes the WISE Council as an independent subcommittee of the Board of Regents comprised of the president-chancellor of Louisiana State University, the president of the Southern University System, the president of the University of Louisiana System, the president of the Community and Technical College System, the commissioner of higher education, the secretary of the DED, the executive director of the LWC, and the chairman of the La. Workforce Investment Council, or their successors. Provides that the council shall review and approve a statewide workforce demand and gap analysis which shall be approved by the board.

Provides that the statewide workforce and gap analysis shall include:

- (1) Statewide and regional degree and certificate production and research productivity targets based on an analysis of credential completion and workforce demand.
- (2) A prioritization of high demand degree and certificate production based on data provided by DED and the LWC.

Requires that the system presidents report annually to the WISE Council on progress towards degree and certificate and research productivity targets and implementation plans.

Requires that the statewide workforce demand and gap analysis, including any revisions, distribution of funds, and implementation plans be posted on the board website.

Authorizes the WISE Council to create policies and procedures for its own management but may meet no less than four times per year.

Requires that the board, on behalf of postsecondary education, provide annual reporting to the Senate Committee on Education, Senate Committee on Finance, the House Committee on Education, and the House Committee on Appropriation.

Authorizes the board to promulgate rules developed jointly and collaboratively by the commissioner of higher education and the system presidents for the administration of the fund and requires that prior to final adoption, the rules be approved by the WISE Council.

Provides that the fund is in addition to, and separate from, any monies appropriated or allocated to any postsecondary management board. Allocations from this fund shall not be included in the board funding formula calculation, nor shall it supplant any allocations provided to institutions through the funding formula. Provides that the availability of the fund shall not in any way substitute, limit, or otherwise affect the allocation of any funds otherwise available to those institutions under state or federal laws.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 17:3138.2)