

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 184** HLS 17RS 944

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 19, 2017 2:47 PM	<b>Author:</b> ABRAHAM
<b>Dept./Agy.:</b> Higher Education	<b>Analyst:</b> Willis Brewer
<b>Subject:</b> Creates the Louisiana Jobs Now Fund	

FUNDS/FUNDING OR -\$34,000,000 GF RV See Note Page 1 of 1  
Creates the Louisiana Jobs Now Fund for the purpose of funding postsecondary education degree and certificate production in high-demand fields

Proposed law creates the La. Jobs Now Fund (the fund) for the purpose of funding degree and certificate production in high-demand fields through programs offered by La.'s public postsecondary education institutions to meet the state's current and future workforce needs. The state treasurer is required to annually transfer \$34 million from the state general fund into the fund. Proposed law provides for the methodology for distribution of funds as follows: (1) 50% percent to public four-year universities based on each institution's prior year degree production in science, technology, engineering, and math (STEM) programs. (2) 50% to public two-year, community, and technical colleges based on each institution's prior year degree and certificate production in fields required for four-star or five-star jobs, as defined by the La. Workforce Commission's La. Star Jobs program or its successors. Additionally, the proposed law requires each management board to certify that a match of no less than twenty percent has been guaranteed by a private entity. Proposed law requires the postsecondary education management boards to provide annual reporting to certain legislative committees.

<b>EXPENDITURES</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$34,000,000	\$34,000,000	\$34,000,000	\$34,000,000	\$34,000,000	<b>\$170,000,000</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

<b>REVENUES</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	(\$34,000,000)	(\$34,000,000)	(\$34,000,000)	(\$34,000,000)	(\$34,000,000)	<b>(\$170,000,000)</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$34,000,000	\$34,000,000	\$34,000,000	\$34,000,000	\$34,000,000	<b>\$170,000,000</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

The proposed law decreases state general fund (SGF) by \$34 M and dedicates these funds to higher education. To the extent these SGF dollars were funding existing recurring expenditures, those SGF expenditures will be reduced or eliminated.

This legislation creates a new fund (Louisiana Jobs Now Fund) to receive these funds. The dollars appropriated to this fund will be separate from any other monies appropriated and will be excluded from the Outcome Based Funding Formula. The distribution is split 50/50 (\$17 M each) between four year institutions and two year institutions; the four year institution distribution is based on STEM degree production and two year institution distribution is based on degrees and certificates in four/five star jobs. It also requires the management boards to certify a 20% match has been guaranteed by a private entity.

**REVENUE EXPLANATION**

Proposed law dedicates \$34 million of state general fund into the newly created Louisiana Jobs Now Fund to be appropriated to the postsecondary education management boards.

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}

*Evan Brasseaux*  


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**Evan Brasseaux**  
**Staff Director**