

Regular Session, 2014

HOUSE BILL NO. 1033

BY REPRESENTATIVE KLECKLEY AND SENATOR ALARIO

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

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 the state
14 treasury as a special fund for the purpose of funding degree and certificate
15 production and research productivity in high demand fields through programs offered
16 by Louisiana's public higher education institutions to meet the state's current and
17 future workforce needs.

18 B. Monies in the fund shall be invested in the same manner as monies in the
19 general fund. Interest earned on investment of monies in the fund shall be credited

1 to the fund. Unexpended and unencumbered monies in the fund at the end of the
2 fiscal year shall remain in the fund.

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

6 D.(1) Monies in the fund shall be appropriated to the Board of Regents to be
7 distributed and used in accordance with a statewide workforce demand and gap
8 analysis to be developed as provided for in Subsections E and F of this Section.

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

20 (3) The funds allocated pursuant to this Section shall be expended towards
21 the degree and certificate production and research productivity targets pursuant to
22 the workforce demand and gap analysis produced by the WISE Council and
23 according to implementation plans which shall be created by each system president.

24 E.(1) The president-chancellor of the Louisiana State University System,
25 president of the Southern University System, president of the University of Louisiana
26 System, president of the Community and Technical College System, and the
27 commissioner of higher education in consultation with the secretary of the
28 Department of Economic Development, executive director of the Louisiana
29 Workforce Commission, and the chairman of the Louisiana Workforce Investment

1 Council shall develop the distribution and allocation of monies in the fund in
2 alignment with the statewide workforce demand and gap analysis as provided for in
3 Subsection F of this Section.

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

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

8 (b) Federally funded research expenditures as defined by the National
9 Science Foundation.

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

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

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

22 (a) Statewide and regional degree and certificate production and research
23 productivity targets based on an analysis of credential completion and workforce
24 demand.

25 (b) A prioritization of high demand degree and certificate production based
26 on data provided by the Department of Economic Development and the Louisiana
27 Workforce Commission.

1 (4) The system presidents shall report annually to the WISE Council on
2 progress towards degree and certificate and research productivity targets and
3 implementation plans.

4 G. The statewide workforce demand and gap analysis, including any
5 revisions, distribution of funds, and implementation plans shall be posted on the
6 Board of Regents' website.

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

9 I. The Board of Regents, on behalf of postsecondary education, shall provide
10 annual reporting to the Senate Committee on Education, Senate Committee on
11 Finance, the House Committee on Education, and the House Committee on
12 Appropriations as provided for in Subsection G of this Section.

13 J. The Board of Regents shall promulgate rules developed jointly and
14 collaboratively by the commissioner of higher education and the system presidents
15 for the administration of the fund. Prior to final adoption, the rules shall be approved
16 by the WISE Council.

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

24 Section 2. This Act shall become effective upon signature by the governor or, if not
25 signed by the governor, upon expiration of the time for bills to become law without signature
26 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
27 vetoed by the governor and subsequently approved by the legislature, this Act shall become
28 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Kleckley

HB No. 1033

Abstract: Establishes the "Workforce and Innovation for a Stronger Economy Fund" for the funding of degree and certificate production and research productivity in high demand fields to meet the state's current and future workforce needs.

Proposed law creates the "Workforce and Innovation for a Stronger Economy Fund," hereinafter referred to as the "WISE 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 La.'s public higher education institutions to meet the state's current and future workforce needs. Requires monies in the WISE fund to be invested in the same manner as monies in the general fund and that interest earned on investment of monies in the WISE fund be credited to the WISE fund.

Proposed law requires the state treasurer to deposit no less than \$40 million into the WISE fund at the beginning of each fiscal year.

Proposed law requires that monies in the WISE fund 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 for in proposed law. Further requires that funding 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. However, the Workforce and Innovation for a Stronger Economy Fund Strategic Planning (WISE) Council may waive this requirement of proposed law to allow donation types not authorized by proposed law upon request of the system president.

Proposed law requires that funds 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 in accordance with implementation plans created by each system president.

Proposed law requires the president-chancellor of the Louisiana State University System and the presidents of the Southern University System, the University of Louisiana System, and 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), the executive director of the La. Workforce Commission (LWC), and the chairman of the La. Workforce Investment Council to develop the distribution and allocation of monies in the WISE fund in alignment with the statewide workforce demand and gap analysis.

Proposed law 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.

Proposed law establishes the WISE Council comprised of the president-chancellor of the Louisiana State University System, 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 DED, the executive director of the LWC, and the chairman of the La. Workforce Investment Council. Requires the WISE Council to review and approve a statewide workforce demand and gap analysis which shall be approved by the board.

Proposed law requires the statewide workforce and gap analysis to 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.

Proposed law requires the system presidents to annually report to the WISE Council on progress towards degree and certificate and research productivity targets and implementation plans. Requires that the board provide annual reports to the Senate Committees on education and finance and the House Committees on education and appropriations.

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

Proposed law authorizes the WISE Council to create policies and procedures for its own management. Requires the WISE Council to meet no less than four times per year.

Proposed law authorizes the promulgation of 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.

Proposed law provides that the WISE fund shall be in addition to, and separate from, any monies appropriated or allocated to any postsecondary management board. Allocations from the WISE 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 WISE 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 governor or lapse of time for gubernatorial action.

(Adds R.S. 17:3138.2)