

Regular Session, 2014

HOUSE BILL NO. 1033

BY REPRESENTATIVES KLECKLEY, ADAMS, ARMES, BERTHELOT, BILLIOT,  
HENRY BURNS, BURRELL, CHANEY, FANNIN, FOIL, HENSGENS, JAMES,  
LEGER, POPE, SMITH, AND THIERRY 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 of 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 priorities in high demand fields through programs offered  
16 by Louisiana's public postsecondary education institutions to meet the state's future  
17 workforce and innovation 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. Subject to appropriation of monies into the fund by the legislature, the  
4 state treasurer is directed to deposit into the fund at the beginning of each fiscal year  
5 forty million dollars. Monies in the fund shall be appropriated and administered as  
6 provided in this Section.

7 D.(1) Monies in the fund shall be appropriated to the Board of Regents to be  
8 distributed to and used by postsecondary education institutions in accordance with  
9 a statewide workforce demand and gap analysis to be developed as provided for in  
10 this Section.

11 (2) The funds distributed pursuant to this Section shall be used by the  
12 institution towards degree and certificate production pursuant to the workforce  
13 demand and gap analysis and research priorities according to implementation plans.

14 (3) Any funds distributed to any institution that remain unexpended or  
15 unobligated at the end of the fiscal year shall be available for use in the subsequent  
16 fiscal year by an institution pursuant to their implementation plan.

17 (4) Funding shall only be distributed by the Board of Regents upon receipt  
18 of certification by the postsecondary education management board on behalf of the  
19 receiving public postsecondary education institution that a match of no less than  
20 twenty percent of the amount of funding to be distributed has been guaranteed by a  
21 private entity. The certification shall detail the type of private match to be provided,  
22 which shall include cash, in-kind donation of technology, construction materials,  
23 facility modification or construction, internships, scholarships, sponsorship of staff  
24 or faculty, faculty endowment, or tangible property. The Workforce and Innovation  
25 for a Stronger Economy Fund Strategic Planning (WISE) Council may authorize a  
26 match for an institution in types other than those provided for in this Paragraph, upon  
27 request of the system president.

28 E.(1) A Workforce and Innovation for a Stronger Economy Fund Strategic  
29 Planning Council, to be referred to as the "WISE Council", shall be established as

1 an independent subcommittee of the Board of Regents and shall be comprised of the  
2 president-chancellor of Louisiana State University, the president of the Southern  
3 University System, the president of the University of Louisiana System, the president  
4 of the Louisiana Community and Technical College System, the commissioner of  
5 higher education, the secretary of the Department of Economic Development, the  
6 executive director of the Louisiana Workforce Commission, and the chairman of the  
7 Workforce Investment Council, or their successors.

8 (2)(a) The WISE Council shall develop a method for the distribution of  
9 monies in the fund in alignment with the statewide workforce demand and gap  
10 analysis and research priorities as provided in this Section. The methodology for  
11 the distribution shall be reevaluated no more than once every three years unless a  
12 majority of the WISE Council vote to reevaluate the methodology more often.

13 (b) The methodology of distribution shall be as follows:

14 (i) Eighty percent of funds distributed shall be based on degree and  
15 certificate production in fields required for Four and Five STAR Jobs, or its  
16 successor, as defined by the Louisiana Workforce Commission and weighted by cost  
17 and a prioritization of high demand degree and certificate production based on data  
18 provided by the Department of Economic Development and the Louisiana Workforce  
19 Commission.

20 (ii) Twenty percent of funds distributed shall be based on federally funded  
21 research expenditures as defined by the National Science Foundation.

22 (3) The WISE Council shall prepare a statewide workforce demand and gap  
23 analysis which shall include:

24 (a) Statewide and regional degree and certificate production and research  
25 priorities based on an analysis of credential completion at all Louisiana  
26 postsecondary education institutions and workforce demand.

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

1           (4) The WISE Council and the Board of Regents shall review and approve  
2           the statewide workforce demand and gap analysis and research priorities.

3           (5) The WISE Council shall review and approve implementation plans  
4           submitted by institutions. The implementation plans shall include at a minimum a  
5           plan for expenditure of monies and outcomes expected.

6           (6) The system presidents shall report annually to the WISE Council on  
7           progress towards degree and certificate and research priorities in accordance with the  
8           implementation plans.

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

12          G. The WISE Council may create policies and procedures for its own  
13          management but shall meet no less than two times per year.

14          H. The Board of Regents, on behalf of postsecondary education, shall  
15          provide annual reporting to the Senate Committee on Education, Senate Committee  
16          on Finance, the House Committee on Education, and the House Committee on  
17          Appropriations as provided for in Subsection F of this Section.

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

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

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

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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)]

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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 priorities in high demand fields to meet the state's current and future workforce innovation 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 priorities in high demand fields through programs offered by La.'s public postsecondary education institutions to meet the state's current and future workforce and innovation needs.

Proposed law requires the state treasurer to deposit \$40 million into the WISE fund at the beginning of each fiscal year, subject to appropriation by the legislature.

Proposed law requires that monies in the WISE fund be appropriated to the Board of Regents (board) to be distributed to and used by postsecondary education institutions in accordance with a statewide workforce demand and gap analysis to be developed and provided for in proposed law.

Proposed law requires that funds be used towards the degree and certificate production and research priorities pursuant to the workforce demand and gap analysis according to implementation plans.

Proposed law provides that any funding distributed to an institution that is not spent at the end of a fiscal year shall be available for use by the institution in the next fiscal year.

Proposed law requires that funding only be distributed by the board if the management board certifies on behalf of the receiving institution that a match of no less than 20% of the amount to be distributed has been guaranteed by a private 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 authorize a match in types other than provided for in proposed law upon request of the system president.

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 Louisiana Community and Technical College System, the commissioner of higher education, the secretary of the Dept. of Economic Development (DED), the executive director of the La. Workforce Commission (LWC), and the chairman of the La. Workforce Investment Council.

Proposed law provides a method of distribution of funds developed by the WISE Council as follows:

- (1) 80% of the funds distributed based on 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) 20% of funds distributed based on federally funded research expenditures as defined by the National Science Foundation.

Requires the WISE Council to review and approve a statewide workforce demand and gap analysis which shall be approved by the board.

Proposed law further provides that the methodology for distribution be evaluated no more than once every three years unless a majority of the WISE Council vote to reevaluate the methodology more often.

Proposed law requires the WISE Council to develop statewide workforce and gap analysis to include:

- (1) Statewide and regional degree and certificate production and research priorities 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 WISE Council and the Board of Regents to review and approve the statewide workforce and gap analysis. Proposed law further requires the WISE Council to review implementation plans submitted by the institutions.

Proposed law requires the system presidents to annually report to the WISE Council on progress towards degree and certificate and research priorities 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 two 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 education management board. Allocations from the WISE fund shall not be included in the board's funding formula calculation, nor shall it supplant any state general fund allocations provided to institutions. 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)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Appropriations to the original bill.

1. Added provision that deposit of monies into the WISE Fund is subject to appropriation by the legislature.
2. Added language regarding money that is unspent or unobligated at the end of a fiscal year; provides that it can be used in subsequent fiscal years.
3. Changed those responsible for developing the distribution of the funding from 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 all the members of the WISE Council.
4. Added that the method of distribution of the funds to the institutions include that 80% of the funds be distributed based on degree completion and 20% of the funds be distributed based on research.
5. Added that the statewide workforce and gap analysis is updated no more than every three years, unless the majority of the council votes to update the analysis more often.
6. Added review and approval by the WISE Council of an institutions' implementation plans regarding their use of the funding and the expected outcomes.
7. Changed the minimum number of times the WISE Council meets from four to two and provides that the meetings are mandatory rather than permissive.