

Regular Session, 2014

HOUSE BILL NO. 1033

BY REPRESENTATIVES KLECKLEY, ADAMS, ANDERS, ARMES, ARNOLD, BADON, BARRAS, BARROW, BERTHELOT, BILLIOT, STUART BISHOP, WESLEY BISHOP, BROADWATER, BROSSETT, BROWN, BURFORD, HENRY BURNS, TIM BURNS, BURRELL, CARMODY, CHAMPAGNE, CHANEY, COX, DANAHAY, DIXON, DOVE, FANNIN, FOIL, FRANKLIN, GAROFALO, GISCLAIR, GUINN, HARRIS, HARRISON, HENSGENS, HOFFMANN, HONORE, HUNTER, HUVAL, IVEY, KATRINA JACKSON, JAMES, JEFFERSON, NANCY LANDRY, TERRY LANDRY, LEBAS, LEGER, LEOPOLD, LORUSSO, MACK, MILLER, NORTON, PIERRE, PONTI, POPE, PRICE, PYLANT, REYNOLDS, RICHARD, RITCHIE, ROBIDEAUX, SCHEXNAYDER, SEABAUGH, SHADOIN, SIMON, SMITH, ST. GERMAIN, STOKES, TALBOT, THIBAUT, THIERRY, THOMPSON, WHITNEY, ALFRED WILLIAMS, PATRICK WILLIAMS, WILLMOTT, AND WOODRUFF AND SENATORS ALARIO AND WALSWORTH

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.

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

5           C. Subject to an annual appropriation by the legislature, each fiscal year the  
6           sum of forty million dollars shall be deposited into the fund. Monies in the fund  
7           shall be appropriated and administered as provided in this Section.

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

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

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

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

1           **(b) In any fiscal year that the total appropriated funds from the sum of the**  
2           **state general fund and dedicated funds for higher education are below the**  
3           **appropriated funding in the prior fiscal year, the WISE Council may at its discretion,**  
4           **delay or waive requirements as set forth in Subparagraph (a) of this Paragraph.**

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

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

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

20           **(i) Eighty percent of funds distributed shall be based on degree and**  
21           **certificate production in fields required for four- or five-star jobs, as defined by the**  
22           **Louisiana Workforce Commission's Louisiana Star Jobs program or its successors**  
23           **and weighted by cost and a prioritization of high demand degree and certificate**  
24           **production based on data provided by the Department of Economic Development**  
25           **and the Louisiana Workforce Commission.**

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

28           **(iii) The WISE Council shall have the authority to adjust the percentage of**  
29           **the distributions by no more than ten percent relative to the distribution of funds**  
30           **between degree certification production in Item (i) of this Subparagraph and**

1 federally funded research expenditures in Item (ii) of this Subparagraph. However,  
2 in no event shall the distribution based on federally funded research expenditures be  
3 reduced below twenty percent.

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

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

9 (b) A prioritization of high-demand degree and certificate production based  
10 on data provided by the Department of Economic Development and the Louisiana  
11 Workforce Commission.

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

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

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

20 F. The statewide workforce demand and gap analysis, including any  
21 revisions to the analysis, distribution of funds, and implementation plans shall be  
22 posted on the Board of Regents' website.

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

25 H. The Board of Regents, on behalf of postsecondary education, shall  
26 provide annual reporting to the Senate Committee on Education, Senate Committee  
27 on Finance, the House Committee on Education, and the House Committee on  
28 Appropriations. Such reports shall include the statewide workforce demand and gap  
29 analysis, including any revisions to the analysis, distribution of funds, and  
30 implementation plans.

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

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

12          K. All actions of the WISE Council and the implementation of this Section  
 13          shall be subject to the approval of the Board of Regents.

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

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 SPEAKER OF THE HOUSE OF REPRESENTATIVES

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 PRESIDENT OF THE SENATE

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 GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_