

(KEYWORD, SUMMARY, AND DIGEST as amended by Senate committee amendments)

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

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DIGEST

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 provides that, subject to an annual appropriation by the legislature, each fiscal year the sum of \$40 million shall be deposited into the Workforce and Innovation for a Stronger Economy Fund.

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. Authorizes the WISE Council to adjust the percentage of the distributions by no more than ten percent relative to the distribution of funds between degree certification production and federally funded research expenditures. However, in no event shall the distribution based on federally funded research expenditures be reduced below twenty percent.

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 requires that match certification be reported to the Joint Legislative Committee on the Budget within 30 days of the receipt. Also provides that in any fiscal year in which the state general fund and dedicated funds for higher education are below the level appropriated in the prior year, the WISE Council may delay or waive match requirements.

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 of the analysis, 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.

Proposed law provides that all actions of the WISE Council are subject to the approval of the Board of Regents.

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.

### House Floor Amendments to the engrossed bill.

1. Clarified which items are included in the reports to the legislative committees.

## Summary of Amendments Adopted by Senate

### Committee Amendments Proposed by Senate Committee on Finance to the reengrossed bill

1. Provides that subject to an annual appropriation by the legislature, each fiscal year the sum of \$40 million shall be deposited into the Workforce and Innovation for a Stronger Economy Fund.
2. Requires that match certification be reported to the Joint Legislative Committee on the Budget within 30 days of the receipt.
3. Provides that in any fiscal year in which the state general fund and dedicated funds for higher education are below the level appropriated in the prior year, the WISE Council may delay or waive match requirements.
4. Authorizes the WISE Council to adjust the percentage of the distributions by no more than ten percent relative to the distribution of funds between degree certification production and federally funded research expenditures. However, in

no event shall the distribution based on federally funded research expenditures be reduced below twenty percent.

5. Makes all actions of the WISE Council subject to the approval of the Board of Regents.