

New 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.

New 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. Further 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 new law. Monies in the WISE fund shall be used towards the degree and certificate production and research priorities pursuant to the workforce demand and gap analysis according to implementation plans.

New 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.

New 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 other types of match upon request of the system president.

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

New 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.

New 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, as defined by the LWC's Louisiana Star Jobs program or its successors and weighted by cost.
- (2) 20% of funds distributed based on federally funded research expenditures as defined by the National Science Foundation.

New law authorizes the WISE Council to adjust the percentage of the distribution of funds by no more than 10% between degree certification production and federally funded research expenditures; however, the distribution based on federally funded research expenditures shall not be reduced below 20%.

New 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.

New law requires the WISE Council to develop a 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.

New law requires the WISE Council and the board to review and approve the statewide workforce and gap analysis. Further requires the WISE Council to review implementation plans submitted by the institutions.

New 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.

New 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.

New 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.

New 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.

New 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.

New law provides that all actions of the WISE Council shall be subject to the approval of the Board of Regents.

Effective June 19, 2014.

(Adds R.S. 17:3138.2)