

WORKFORCE AND INNOVATION FOR A STRONGER ECONOMY (WISE) FUND FACTS

Overview

With a need to fill nearly 90,000 new and replacement jobs each year, Louisiana's four higher education systems, Louisiana Economic Development (LED), the Louisiana Workforce Commission (LWC), and the Louisiana Workforce Investment Council (WIC) collaboratively developed and supported the creation of the Workforce and Innovation for a Stronger Economy (WISE) Fund, established by Act 803 of the Louisiana Legislature's 2014 Regular Session.

The WISE Fund dedicates funding to Louisiana's public higher education institutions to:

- Increase degree and certificate production in high demand fields, through the Workforce Incentive Program (80% of funds)
- Spur additional research and innovation in alignment with industry needs, through the Innovation Incentive Program (20% of funds)

In addition to the WISE Fund, Act 646 of the 2014 Louisiana Legislature provides additional funds to eligible Louisiana public higher education institutions tied the level of funds available in WISE:

- Competitive Core Growth Fund available to institutions whose formula funding allocation is at the lowest levels. It is tied to the total amount of funding available in the WISE Fund or 15.25%.
- Science, Technology, Engineering, and Math Upgrade fund provides an additional 5% of the total amount appropriated to the WISE Fund for facility and technology upgrades to eligible institutions.

Campuses will receive monies from the WISE Fund based on the distribution method determined by the WISE Council, but will be required to apply for investment monies by submitting Implementation Plans, which must include a minimum 20% industry match.

Industry Match

Implementation Plans must be accompanied by at least a 20% match from a private entity. Matches may include cash, scholarships, internships, in-kind contributions, tangible property, facilities, facility modification, construction materials, equipment, software, technology, personnel, and faculty endowment, among others. The WISE Council may authorize other types of matches when requested by a system president. Businesses interested in providing a match, should contact respective campuses to determine whether a potential match is congruent with the institution's planned use of WISE Fund monies.

Governance

The WISE Council, consisting of the presidents of each public postsecondary system, the commissioner of higher education, the executive director of the LWC, the chairperson of the WIC, and the secretary of LED, is an independent subcommittee under the administrative structure of the Louisiana Board of Regents. The WISE council is charged with approving a Statewide Workforce Demand and Gap Analysis, determining a method of distributing the WISE Fund monies, and evaluating and approving Implementation Plans submitted from state public higher education institutions.

The Louisiana Board of Regents provides fiscal and administrative services; approves the Statewide Workforce Demand and Gap Analysis and distribution plan approved by the WISE Council; calculates each institution's proportion of the Innovation Incentive Program, is

responsible for distributing the WISE Fund monies to respective management boards; certifies receipt of private matches; and monitors post-payment for compliance and reporting to the legislature.

Higher education management boards are responsible for the oversight and management of funds distributed to institutions within their respective systems. Receiving management boards may also make adjustments within their allocations.

The Workforce Incentive Program

The Workforce Incentive Program is intended to increase the production of credentials in high demand fields where current production does not meet projected workforce demand. To identify workforce gaps, the WISE Council developed and approved a Statewide Workforce Demand and Gap Analysis, which accounts for credential production from all Louisiana postsecondary institutions, and a prioritization of high demand degree credentials based on data from the LWC and LED. In areas where gaps are identified, those institutions with programs producing high demand degree credentials are allocated funds based on the absolute size of the gap and the relative cost of closing the gap.

The Innovation Incentive Program

The Innovation Incentive Program is intended to encourage research production in alignment with industry needs. Allocations to institutions are based on a three-year average of federally funded research and development expenditures, as reported by the National Science Foundation report "Federally Financed Higher Education R&D Expenditures," for each Louisiana public postsecondary institution. The Board of Regents calculates each institution's proportion of total expenditures for the state, which dictates the institution's Innovation Incentive Program investment.

Fund Distribution

An institution's total allocation will be the combined Workforce Incentive Program and Innovation Incentive Program investments. Funds appropriated to the Board of Regents will be distributed to each management board, and management boards will distribute funds to each campus.

Submission and Approval of Implementation Plans

In order to receive its WISE Fund distribution, each campus must submit an Implementation Plan delineating how WISE Fund monies will be utilized to meet WISE Program goals. Campus presidents will submit Implementation Plans to their respective management board. Once an Implementation Plan is approved at the system level, it is submitted to the WISE Council. The WISE Council reviews and approves Implementation Plans, which are then approved by the Board of Regents. Each Implementation Plan shall include a progress report toward fulfillment of the previously approved implementation plan. Permissible expenses include, but are not limited to, faculty, teaching personnel, student support services, equipment, and supplies.