

LOUISIANA BOARD OF REGENTS

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

SEPTEMBER 4, 2014

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**LOUISIANA BOARD OF REGENTS
WORKFORCE AND INNOVATION FOR A STRONGER ECONOMY FUND
PROGRAM POLICY**

I. INTRODUCTION

The Workforce and Innovation for a Stronger Economy Fund (WISE) and the WISE Council was created by Act 803 of the 2014 Regular Session of the Louisiana Legislature. The WISE Fund was created to provide an incentive for postsecondary educational institutions to increase the production of certificates, diplomas, and degrees in fields of high demand by Louisiana employers, and to spur additional research and innovation as a meaningful way of supporting economic development.

A. The intended outcomes of the WISE Fund are:

1. Increase the number of graduates (or completers) in high-priority fields
2. Increase research productivity
3. Enhance the curriculum and/or student experiences in response to industry expectations or needs in collaboration with industry

II. DEFINITIONS AND PURPOSE

The purpose of this policy is to establish guidelines for the administration of the Workforce and Innovation for a Stronger Economy Fund (WISE) in accordance with Act 803 of the 2014 Regular Session of the Louisiana Legislature. The following definitions shall apply to this policy.

- A. Cost Matrix: A table indicating the cost-related weights assigned to various academic and training programs by level of study and/or time to expected completion. The only eligible programs for inclusion in the cost matrix are those certificate, diploma, and degree programs recognized by the Louisiana Board of Regents Academic Affairs Policy 2.15. Other credentials may be approved by the WISE Council upon the recommendation of the Board of Regents.
- B. Classification of Instructional Programs (CIP) Codes: A taxonomic scheme supporting the accurate tracking, assessment, and reporting of fields of study and program completions activity. CIP was originally developed by the U.S. Department of Education's National Center for Education Statistics (NCES) in 1980, with revisions occurring in 1985 and 1990. The 2010 edition (CIP-2010) is the fourth revision of the taxonomy and presents an updated taxonomy of instructional program classifications and descriptions.

- C. Completer: A completer shall be a person who completes a program of study resulting in the issuance of a credential by an authorized Louisiana postsecondary management board. The data for the number of completers shall derive from the most recently collected data by the Board of Regents, and for the private postsecondary institutions, the data shall be derived from the most recent data collected by IPEDS.
- D. Crosswalk: The crosswalk developed by the National Center for Education Statistics (NCES) and the Bureau of Labor Statistics (BLS) identifies postsecondary programs by CIP codes that prepare individuals directly for specific occupations by SOC codes.
- E. High Demand Fields: Occupations and vocations classified by CIP codes through the Louisiana Workforce Commission as 4- or 5-STAR jobs, and identified as high-priority occupations in the State Workforce Demand and Gap Analysis.
- F. Implementation Plan: A plan compiled by a Louisiana public postsecondary institution which delineates the budgeted expenditure of WISE Fund monies to meet the purpose of the WISE Fund policy.
- G. IPEDS: The Integrated Postsecondary Education Data System (IPEDS) is a system of interrelated surveys conducted annually by NCES. IPEDS gathers information from every college, university, and technical and vocational institution that participates in Federal student financial aid programs. The Higher Education Act of 1965, as amended, requires institutions that participate in Federal student aid programs report data on enrollment, program completion, graduation rates, faculty and staff, finances, institutional prices, and student financial aid.
- H. Match: Any form of support for a technical, academic, or research program provided by a private entity. The match may come in the form of cash, in-kind donation, internship, externship, cooperative, or other means of support that shall be guaranteed during the term in which the WISE Fund money will be expended. The value of the match should be included in the Implementation Plan.
- I. Research Productivity: For the purpose of this policy, the amount of Federally funded research and development funds expended annually by each institution and reported by the National Science Foundation. The research amount for each institution, for the purposes of the WISE Fund, shall be the average of the three most recent years reported for Federal Research and Development expenditures by the National Science Foundation.

- J. State Workforce Demand and Gap Analysis: An assessment of Louisiana's workforce demands offset by academic or training program completers in related fields. The demand estimate consists of 1) Louisiana's official occupational projections developed by the Occupational Forecasting Conference and approved by the Workforce Investment Council, and 2) adjustments to those projections by Louisiana Economic Development in conjunction with the Louisiana Workforce Commission based on business recruitment/expansion information. Completers are provided by the Board of Regents and consist of 1) Regents' most recent completer information for public institutions, and 2) the most recent data (from IPEDS or Regents) accounting for completers at private institutions within the state. The analysis will include a conversion from SOC to CIP codes which will include the workforce representatives and academic experts from the management boards of each system. The WISE Council may consult with external experts as it deems necessary.
- K. Weights: Weighting for specific credentials shall be assigned according to the Regents' funding formula cost matrix. In instances where a weight is not assigned by the Board of Regents for an eligible academic/training program, the WISE Council may approve cost-based weights.
- L. Standard Occupational Classification (SOC): A classification system developed by the U.S. Bureau of Labor Statistics and approved in 2010, utilized to group workers by occupational categories for the purpose of collecting and disseminating labor-related information.
- M. Goals: Within each institution's Implementation Plan, there shall be a set of goals or intended outcomes which may include items such as increasing the number of graduates, increasing the amount of research innovation, responding to a curricular change or program quality change required by industry, upgrading or acquiring of equipment or other support mechanisms to add capacity for greater outcomes.

III. ELIGIBLE INSTITUTIONS

In accordance with Act 803 of the 2014 Regular Session of the Louisiana Legislature, only public postsecondary institutions are eligible to receive funds under the program requirements.

- A. Fund Management Responsibilities:

1. R.S. 17:3138.2(D)(1) provides that funds appropriated to the WISE Fund shall, in turn, be appropriated to the Board of Regents for distribution to the management board for dissemination to the participating institution only when a match has been certified and appropriately reported. Unexpended or unencumbered funds distributed to an institution shall remain with the institution but may only be used pursuant to an approved implementation plan.

IV. WISE COUNCIL, POWERS

- A. By statute, the WISE Council is an independent body under the administrative structure of the Board of Regents. The membership of the WISE Council is fixed by law to include the system president of each postsecondary system, the commissioner of higher education, the executive director of the Louisiana Workforce Commission, the chairperson of the Louisiana Workforce Investment Council, and the secretary of Louisiana Economic Development. The Council must meet at least twice per year.
 1. The WISE Council must conduct itself as any other public body. The Council has the right to elect officers and stipulate the duration of terms. A quorum shall consist of a majority of members (5 members). All meetings are subject to the Open Meetings Laws (R.S. 42:11-28), and conduct of the meeting shall be in accordance with *Robert's Rules of Order*. The Board of Regents shall act as the administrative agent and facilitator of meetings, and maintain records pursuant to records retention policies of the state.
 2. The WISE Council is obligated to approve a method of distributing WISE Fund monies. Under R.S. 17:3138.2(E)(2)(b), the methodology is limited to predominant factors: degree/certificate production in certain fields and research productivity. The Council may also provide for a minimum allocation and apply conditions.
 3. The WISE Council must approve Implementation Plans.
 4. The WISE Council may provide waivers of requirements to take action in the event of budget reductions for higher education. In the event of a reduced budget, the Board of Regents or five Council members may call a meeting of the Council to deliberate on waivers.

V. ALLOCATION METHODOLOGY

The allocation of the WISE Fund is based on two components, each with its own calculation method. The first component is the Workforce Incentive Program, which is based on funding associated with degrees in high demand fields. A maximum of eighty percent (80%) of the funds dedicated to the WISE Fund shall be allocated based on the Workforce Incentive Program methodology. The second part is the Innovation Incentive Program based on research productivity, and shall account for at least 20 percent, but no more than 30 percent, of the funds dedicated to WISE. The WISE Council may make other adjustments to the methodology, such as to establish minimum funding levels or ensure accountability.

VI. WORKFORCE INCENTIVE PROGRAM

A. TBD

VII. INNOVATION INCENTIVE PROGRAM

- A. At least 20 percent, and no more than 30 percent, of the funds dedicated to the WISE Fund shall be allocated based on the Innovation Incentive Program methodology.
- B. The National Science Foundation produces a report entitled “Federally Financed Higher Education R&D Expenditures” which reports on Federal research and development expenditures of each institution. Using the NSF report, the Board of Regents shall calculate a three-year average of Federally funded R&D for each Louisiana public postsecondary institution. The Regents shall then calculate, for each institution, its percentage of federally funded research and development as a proportion of the entire amount expended by all institutions in the state. This calculated proportion for each institution shall constitute the proportion of the Innovation Incentive Program funds available for use by that institution.

VIII. TOTAL ALLOCATIONS

- A. The sum of all institutions’ allocations within a postsecondary system shall be distributed from the Board of Regents to their respective management boards for oversight and management.
- B. The management boards of postsecondary education shall establish their own internal policies or practices for the effective management of the WISE Fund monies. The boards may set timelines for match, expenditure, and accountability, and may alter the

allocations within their respective systems. The receiving management boards may also make adjustments within its allocation.

IX. STATEWIDE WORKFORCE DEMAND AND GAP ANALYSIS

- A. The WISE Council is required to develop and approve a Statewide Workforce Demand and Gap Analysis. R.S. 17:3138.2(E) (3a-b) stipulates that the analysis include 1) an accounting of credential production from institutions of postsecondary education, and 2) a prioritization of high demand degree credential production based on data provided by the Louisiana Workforce Commission and Louisiana Economic Development. The information shall be compiled into a recommendation for the WISE Council's approval. After such approval, the Board of Regents shall approve the analysis.

X. OBLIGATION OF THE BOARD OF REGENTS

- A. The Board of Regents has several obligations under Act 803 of 2014 Regular Session. The Board of Regents shall act as the fiscal agent for postsecondary education as well as administratively facilitate the WISE Council.
- B. After the WISE Council approves the Statewide Workforce Demand and Gap Analysis, the Board of Regents shall approve the analysis and the subsequent proposed allocation of funds.
- C. The Board of Regents shall distribute the funds to the respective management board for distribution to institutions. The Board of Regents shall act with powers and obligations similar to postsecondary management boards as it relates to funds allocated by the WISE Council for LUMCON.
- D. As it relates to the private match, the Board of Regents shall certify the receipt of private matches. The Board of Regents may perform monitoring functions post-payment to ensure compliance.
- E. In the event of a state of emergency, the commissioner of higher education is authorized to take actions necessary to facilitate the WISE Fund, WISE Policy, and Implementation Plans. The actions are subject to ratification by the WISE Council at its next meeting.

XI. IMPLEMENTATION PLANS

- A. Each institution shall submit a WISE Implementation Plan outlining the general use of the funds, the program(s) to receive investment, and the expected goals within the purpose of the WISE Policy.
- B. The Implementation Plan should include
 - 1. A listing of proposed expenditure categories.
 - 2. The expected cost of those items
 - 3. The expected outcome from that expenditure(s) as it aligns to the program goals of increased number of graduates, increased research productivity, or response to a particular industry requiring curricular change.
- C. Each institution's Implementation Plan shall be approved by their management board or a representative who has been duly authorized by their board to act on its behalf and noted in the minutes of the respective board prior to WISE Council consideration.
- D. The WISE Council shall approve plans prior to the start of the fiscal year, or as close to practically possible.
- E. Permissible expenses include, but are not limited to, faculty, teaching personnel, student support services, equipment, and supplies.
- F. A progress report toward fulfillment of the previously approved Implementation Plan shall be provided at the appointed time.
- G. The WISE Council is also invested with broad authority to approve waivers in the event of budget reductions for higher education. In this eventuality, the Board of Regents or five Council members may call a meeting of the Council to deliberate on waivers.

XII. PRIVATE MATCH REQUIREMENT

In accordance with Act 803 of the 2014 Regular Session of the Louisiana Legislature ("Act 803"), any request for funds from the WISE Fund shall be accompanied by a certification that a private entity has guaranteed a match of no less than twenty percent (20%) of the funds to be received under the institutions WISE allocation.

The postsecondary management boards are responsible for certifying that a private match has been guaranteed. The match documents submitted to the Board of Regents must be approved by the postsecondary management board or a representative who has been duly authorized by their board to act on its behalf and noted in the minutes of the respective board.

The certification of match submitted to the Board of Regents shall comply with the following requirements:

- A. The certification shall specify, at a minimum:
 - 1. The name of the institution on whose behalf the request is made (“receiving institution”)
 - 2. The total amount sought from the WISE Fund
 - 3. The value, in dollars, of the private match
 - 4. The name of the private entity guaranteeing such match
 - 5. The type of private match
- B. If the management board, or its authorized president, is requesting that the WISE Council recognize a private match of a type other than those enumerated in Act 803, the request must describe in detail the type of proposed private match and provide a justification for why such a match is appropriate for recognition by the WISE Council under Act 803.
- C. The certification must state that the management board, or its authorized representative, has verified to the best of its ability, the market value of all private matches other than cash and that the private match constitutes at least twenty percent (20%) of the funds requested from the WISE Fund.
- D. The certification must be signed by the Chair of the management board, or authorized representative, and notarized.
- E. The Board of Regents will perform monitoring functions post-payment to ensure that supporting documentation, as applicable, is retained on file by the institution in receipt of the WISE Funds. After the funds are released to an institution, a Board of Regents representative will schedule an engagement with the institution to review documentation for support of a private match. The representative will obtain copies of the necessary documents and include them with the match certification files as described in parts A(1- 5) of the private match requirements.

F. The following supporting document(s), as applicable, shall accompany the request of funds from the WISE Fund

1. If the private match is in the form of cash, document of guarantee, proof of receipt and deposit, in the name of the receiving institution and in the amount of the private match, from the financial institution(s) involved.
2. If the private match is in the form of in-kind donations of technology, a detailed description of the donation, including a description of the technology donated to the receiving institution, properly itemized as necessary, and any documentation substantiating the market value of such technology.
3. If the private match is in the form of personnel, a detailed description of the personnel donated, including qualifications and experience of the personnel, services to be rendered by the personnel, the duration of such services and any documentation substantiating the market value of the services the personnel is to provide the receiving institution.
4. If the private match is in the form of construction materials, a detailed description of the construction materials properly itemized, and any documentation substantiating the market value of the construction materials (such as invoices or amounts shown in a completed and appropriately signed AIA contract document, Document numbers G702-1992 Application and Certificate for Payment and G703-1992 Continuation Sheet to Application and Certificate).
5. If the private match is in the form of facility modification, a detailed description of the facility, modifications to be performed by the private entity, and any documentation substantiating the market value of such modification (such as invoices or amounts shown in a completed and appropriately signed AIA contract document, Document numbers G702-1992 Application and Certificate for Payment and G703- 1992 Continuation Sheet to Application and Certificate).
6. If the private match is in the form of tangible property, a detailed description of such property properly itemized, and any documentation substantiating the market value of such property, such as independent appraisals by a professional third party appraiser.

7. If the private match is in the form of internships, scholarships, sponsorships of staff or faculty or faculty endowment, a detailed description of the match, and documentation concerning the duration and dollar amount of the scholarship/internship/sponsorship/endowment.

XIII. CHANGES/ALTERATIONS

Changes, alterations, and amendments to the WISE Implementation Plans should be approved by the WISE Council. If the WISE Council fails to act in 90 days of notice of a desired change, then the change shall take effect.

XIV. ACCOUNTABILITY

Prior to January 31, each system shall submit to the Board of Regents a report on the progress of its institutions' WISE Implementation Plans. The reports shall be submitted by the Board of Regents to the Senate Committee on Education, the Senate Committee on Finance, the House Committee on Education, and the House Committee on Appropriations. The Board of Regents shall include the Statewide Workforce Demand & Gap Analysis, report on distribution of funds, and include the implementation plans.