

## **Louisiana's MJ Foster Promise Program: Securing the Future of Louisiana's Workforce**

### **SB 148 by President Cortez & Speaker Schexnayder Policy Proposal by the Louisiana Community and Technical College System April 2021**

The future of work is changing dramatically and rapidly, and so are the skills and preparation required for Louisianans to fully participate in the modern workforce. An estimated 250,000 more adults will need to earn credentials beyond high school in order to fill available jobs in Louisiana in 2026.<sup>1</sup> Given the fact that the average wage gain for Louisianans after earning a short-term credential is more than 19%, the potential impact of such an achievement would transform the state's economy and society.<sup>2</sup>

The Master Plan by the Louisiana Board of Regents sets an ambitious target: to reach an educational attainment level of 60% by 2030, requiring the state to more than double the number of annual credential recipients. Affordability remains a primary challenge to reaching this goal. While the state has invested substantially in the TOPS program to address this obstacle, the beneficiaries are nearly exclusively enrolled in bachelor's degree programs. Fewer than 900 students graduated this year with the support of TOPS Tech, which is intended for two-year and technical degrees.<sup>3</sup> Meanwhile, since 2009, the average tuition for Louisiana's two-year colleges has risen 130% compared to just a 14% increase in Louisiana's median household income over that same time period.<sup>4</sup>

Furthermore, the state currently offers no financial aid for adults seeking short-term workforce training with recognized credentials that could quickly connect Louisianans to jobs and livelihoods. This population typically does not have time for even a two-year degree, as childcare, transportation, and work inhibit their ability to commit to a lengthy and costly training program. Limited resources for workforce training leaves adults underemployed, unemployed, and/or on public assistance.

Even during the COVID-19 recession, tens of thousands of job openings exist across the state in growing industry sectors that offer paths to careers while tens of thousands of Louisianans remain unemployed as a result of the crisis. The urgency for new skills training and for reskilling has never been greater.

#### **What is the Louisiana MJ Foster Promise Program?**

State Promise Programs exist across the country in a variety of forms – all with the goal of financially supporting students, mostly adults, to obtain training and education to enter the job market on a career path toward a living wage.

Named after former Louisiana Governor Mike J. Foster, a founding father of the state's community college system, LCTCS is proposing the MJ Foster Promise program as a new \$10 million annual state fund. The Program will provide financial support for students to earn credentials that align to high-demand jobs in growing industry sectors, such as construction, healthcare, information technology, manufacturing, and transportation and logistics. Eligible credentials will be earned through short-term

workforce training as well as more traditional academic degree programs no longer than 60 credit hours (an associate degree).

The MJ Foster Promise Program will be administered by the Louisiana Office of Student Financial Aid (LOSFA) at the Board of Regents and begin in July 2022.

### Who Qualifies for the MJ Foster Promise Program?

The MJ Foster Promise Program will be available to all Louisiana residents (21 years or older) with individual student awards available on a first-come, first-serve basis. In order to promote maximum accessibility, there will not be a merit-based barrier for the Program (such as a GPA requirement or an ACT score). Eligible participants must meet a family income threshold of 300% of the Federal Poverty Level or be unemployed or underemployed for six months. Awardees must commit to reside in Louisiana one year after completion and to perform 20 hours of community service, an internship, or a mentorship annually to maintain the award.

Students will qualify for financial support for academic programs up to 60 credit hours (an associate degree) or for several stackable short-term workforce credentials. In both cases, the award would only be available to the student for a period of three years.

### What is the Award Amount for the MJ Foster Promise Program?

The MJ Foster Promise Program will serve as a “last dollar” award, which means all applicants will be required to complete the FAFSA to determine eligibility for other sources of federal aid. The Promise funds would apply to any balances after federal, state, or institutional aid has been disbursed, so award amounts will differ student by student.

The Promise funds can be used to cover tuition and fees, but no additional funds will be rebated to students. Lifetime individual caps on the awards will match the maximum TOPS Tech benefit in current law (\$6,400).

### How Will the MJ Foster Promise Program Differ from TOPS Tech?

Students graduating from high school will continue to have access to TOPS Tech. In order to make financial support more accessible to more Louisianans, there are several ways the Promise Program builds upon TOPS Tech:

- Whereas TOPS Tech is intended only for recent high school graduates, the Promise Program will be available to all adults over age 21.
- Participation is prioritized for low or medium-income households or those unemployed or underemployed.
- There are fewer barriers to entry with no minimum GPA or ACT score.
- Short-term workforce credentials of value are eligible, not only the longer academic degree programs.
- Funds are available only for targeted industry sectors with available jobs on career pathways.
- There is an annual \$10 million state funding cap for the program to contain costs with touchpoints for the Legislature to review and expand as needed.

## How Many Louisianans Can Benefit from the MJ Foster Promise Program?

A \$10 million annual appropriation from the state could lead to as many as 5,000 credentials annually. Of note, the number of students receiving awards will vary year to year subject to the availability of funding.

## Who Will Partner with the MJ Foster Promise Program to Make It A Success?

The workforce ecosystem is much broader than a particular training program or financial aid award. The success of the Louisiana MJ Foster Promise hinges on the engagement of key stakeholders, in particular:

- Employer participation to define the industry sectors and available jobs as well as to recruit and hire the students;
- Supportive services from various federal, state, and local agencies to ensure the array of barriers facing many adult students can be addressed to facilitate completion and job placement, such as career counseling, transportation, and quality childcare; and
- Educational partners, from PreK-12 through four-year universities, to align credentials and education across the spectrum.

## How Will the State Benefit from the MJ Foster Promise Program?

LCTCS is requesting a new five-year commitment from the Legislature of \$10 million annually for a total of \$50 million to create the Louisiana MJ Foster Promise Program. In addition, LCTCS colleges plan to expend foundation funds to support the program. With this new minimum \$50 million state investment, LCTCS analysis suggests as much as a \$97 million direct return to the state within five years.<sup>5</sup>

## When Will the Louisiana MJ Foster Promise Program Begin?

With the support of the Louisiana Board of Regents and Governor John Bel Edwards, LCTCS supports [SB 148 by President Cortez and Speaker Schexnayder](#) pre-filed for the 2021 regular session that establishes the framework for the Louisiana MJ Foster Promise Program. If the legislation passes and if funding is secured, students will be able to participate beginning in July 2022.

## For More Information

Camille Conaway  
[camilleconaway@lctcs.edu](mailto:camilleconaway@lctcs.edu)

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<sup>1</sup> Louisiana Workforce Commission official forecast 2019; National Skills Coalition Louisiana Skills Mismatch Analysis, 2018.

<sup>2</sup> Old Dominion University analysis of Louisiana Workforce Commission wage data 2016-2018.

<sup>3</sup> LOSFA data provided to LCTCS.

<sup>4</sup> LCTCS internal data; US Census Bureau.

<sup>5</sup> Assumes average salary of \$42,436 based on Old Dominion University analysis of Louisiana Workforce Commission wage data from 2016 to 2018; Assumes state/local tax burden of 9.2% according to WalletHub; Assumes new entry into the workforce and 100% workforce participation upon graduation.