



# Talent Attraction Legislation

## Priority Statement:

The Wisconsin Economic Development Association (WEDA) SUPPORTS legislative efforts to address Wisconsin's workforce shortage crisis. WEDA encourages passage of the *Earned In-State Tuition Incentive* bill to help strengthen Wisconsin's labor force by encouraging talented, young professionals to live and work in Wisconsin after they graduate from college.

## Background:

Economic growth is highly dependent on the presence of a strong talent pipeline. As such, attracting young, skilled professionals is a critical component to regional and statewide economic prosperity. Unfortunately, an aging population, record low unemployment, and anemic in-migration patterns have contributed to a workforce supply and demand mismatch in Wisconsin. Consequently, the state does not have enough workers to fill current job openings.

## Bill Summary:

The *Earned In-State Tuition Incentive* legislation will help strengthen Wisconsin's workforce by targeting an educated, work-ready population often overlooked: Out-of-state students that attend Wisconsin's public colleges and universities. Each year, over 3,000 non-resident students graduate from UW System institutions. Unfortunately, over 90% of them leave Wisconsin within two years after graduation. The legislation will help reverse this trend by offering out-of-state graduates the opportunity to earn "in-state tuition" by remaining in Wisconsin for two years after graduation to live and work – as well as pay taxes and contribute to the state's economy.

Once eligible, individuals would be reimbursed, in equal payments over five years, 50% of the difference between in-state tuition and what they were charged for non-resident tuition. If they leave the state or stop working, they would lose eligibility and any future benefits. The bill sunsets the program after 10 years and caps total awards at \$15 million per year.

Non-resident students are a prime target population, as they already understand the value of living in Wisconsin. The *Earned In-State Tuition Incentive* bill will offer a significant incentive to encourage these individuals to become permanent Wisconsin residents. It provides a bold, forward-thinking public policy that begins to address Wisconsin's talent gaps and workforce shortage.

## Action Requested:

Please support the *Earned In-State Tuition Incentive* bill to provide the state with a powerful talent attraction tool to encourage skilled professionals to live and work in Wisconsin, and ultimately help address the workforce shortage crisis that threatens economic growth.

## Key Discussion Points

- Wisconsin is facing a workforce crisis, as it lacks enough workers to fill current job openings.
- This shortage impacts every industry sector and threatens economic growth across the state.
- Over 3,000 non-resident students graduate from the UW System each year. But within two years of graduation, over 90% of them leave the state.
- The proposed legislation will provide out-of-state students an opportunity to earn "in-state" tuition by staying in Wisconsin after graduation – to live, work, and pay taxes.
- The legislation will help pay for itself through the additional tax base growth provided by new residents permanently moving to Wisconsin.
- The program would sunset in 10-years and be capped at \$15 million annually.

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