

**From: Reps. Murphy and Petryk  
Sen. Testin**

**Date: January 5, 2018**

**Re: Co-sponsorship of LRB-4997/1 relating to Workforce Talent Attraction through Earned In-state Tuition**

**DEADLINE: Thursday, January 11, 2018 at 4:00 P.M.**

The Wisconsin economy is growing but with nearly 100,000 job openings and an aging workforce it's urgent that we take action to recruit and retain new talent. Only one in ten University of Wisconsin (UW) System out-of-state students stays in Wisconsin within two years after graduation. There's a huge untapped source of workforce talent right in our backyard.

Our bill gives UW System and Wisconsin Technical College System (WTCS) graduates the ability to earn "in-state tuition" by living, working, and paying taxes in Wisconsin for at least two years after graduating. This would address our workforce needs quickly, efficiently, and potentially at no net cost to the state.

Residents of Wisconsin pay a reduced tuition rate at UW and WTCS campuses, due to their tax contributions to these institutions over the years. It's only fair that new Wisconsinites be able to earn partial in-state tuition after contributing to our state's economy.

Beginning on July 1, 2019, the Department of Workforce Development (DWD) may start paying out grants to individuals who meet the qualifications specified in the bill and administrative rules.

Individuals may earn the grant for up to five consecutive years, as long as they continue to live and work in Wisconsin. If they leave or stop working, individuals would no longer be eligible to receive the grant. Since the grant is contingent on individuals living and working in our state for at least two years, the grant could easily pay for itself as the tax base is grown.

The total amount an individual may earn over five years would be worth up to 50 percent of the difference between in-state tuition and non-resident tuition that the graduate was charged during their time as a student. The grant is taxable income, reducing the future fiscal impact on the state budget.

Each year, over three thousand out-of-state students graduate from Wisconsin institutions. This powerful incentive will encourage many out-of-state graduates to become permanent Wisconsin residents and contributors to our growing economy.

The bill was drafted with the assistance of UW System, WTCS, and WEDA.

**If you would like to co-sponsor LRB-4997/1, please respond to this email or call Rep. Murphy's office at 266-7500 by 4:00 p.m. on Thursday January 11.**

#### **Analysis by the Legislative Reference Bureau**

This bill requires the Department of Workforce Development to establish a ten-year program for making annual grants to individuals who were charged nonresident tuition by and completed an

educational program, including an apprenticeship, at Wisconsin technical colleges or University of Wisconsin System universities or colleges. To be eligible for the grants, an individual must have continuously resided and been employed in Wisconsin for a period of at least two years after graduation. The bill allows an individual to receive annual grants for no more than five consecutive years in amounts equal to 10 percent of the difference between the total amount of nonresident tuition the educational institution charged the individual and the total amount of resident tuition the educational institution would have charged the individual if the individual had been a resident. If an individual who receives a grant ceases to reside or be employed in Wisconsin, the bill provides that the individual is not eligible for any additional grants. DWD must promulgate rules establishing requirements and procedures for applying for and making the grants. The bill includes a sunset date that provides that DWD may not award a grant approximately ten years after the bill's publication. No later than six months prior to that sunset date, the bill requires DWD to submit a report to the legislature evaluating the success of the program.