



STATE SENATOR

**Eric Wimberger**

DISTRICT 30

## **Testimony on Senate Bill 843**

*Senate Committee on Economic and Workforce Development*

*Wednesday, January 26, 2022*

Good morning, Chairman and members of the Economic and Workforce Development committee. Thank you for holding a hearing and allowing me to testify today on SB 843. Thank you to Representative Vandermeer for her efforts on this crucial bill.

I'm sure you are all aware, we have a serious workforce shortage issue facing Wisconsin today. As someone who works in a small business and travels the district talking with small business owners, the number one problem I hear on a daily basis is the struggle to find enough workers to fill open jobs. We see several potential reasons for this crisis, whether it's younger residents leaving the state, birthrates falling with an older population, or extreme policies coming from D.C, one thing is certain, we must find a solution to the problem.

In our daily lives we have all seen the effects of the worker shortage. Reduced hours at our favorite restaurant, fewer days open at a local business or signs asking us to be patient during this challenging time. Although this issue won't be solved overnight, one way to start helping immediately is by providing funding to the state's talent attraction initiatives and bring out-of-state workers to the great state of Wisconsin. Every year there are nearly 200,000 brave men and women who leave the military to enter civilian life and this country's workforce. These service members are equipped with the essential skills to help address this state's workforce shortage head on.

Senate Bill 843 would direct the Evers Administration to use \$10 million in American Rescue Plan Act (ARPA) funds to develop and implement initiatives overseen by the Wisconsin Economic Development Corporation (WEDC) to recruit much-needed talent to Wisconsin. More specifically, the bill requires WEDC to use the funding to attract a highly-skilled, work-ready population to Wisconsin – U.S. military members transitioning to civilian life.

Again, thank you Mr. Chairman, this time for creating a model in 2017, Wisconsin Act 318, requiring the WEDC to use a continuing appropriation of \$6.8 million in general purpose revenue in the fiscal year 2017-18 to develop initiatives to attract workforce talent to Wisconsin. We used this successful model Mr. Chairman to help develop SB 843 and a couple of important organizations are here today to testify in support of this legislation. Wisconsin small businesses and I respectfully ask for your support on this crucial proposal. Thank you.

State Capitol • PO Box 7882  
Madison, WI 53707-7882  
(608) 266-5670 • (800) 385-3385  
Sen.Wimberger@legis.wi.gov



# NANCY VANDERMEER

STATE REPRESENTATIVE • 70<sup>TH</sup> ASSEMBLY DISTRICT

TO: Honorable Members of the Senate Committee on Economic & Workforce Development

FROM: State Representative Nancy VanderMeer

DATE: January 26, 2022

SUBJECT: Testimony in Support of Senate Bill 843

Thank you Chairman Feyen for holding a hearing on SB 843 today. One of the biggest challenges facing Wisconsin businesses today is the state's severe workforce shortage and their inability to find enough workers to fill open jobs. The shortage has reached a crisis point for employers, impacting every key industry and threatening Wisconsin's future economic growth.

There are numerous factors behind Wisconsin's worker shortage, including demographic trends, Democrat policies coming out of D.C. that encourage welfare and de-value work, the loss of younger workers to migration, and the lack of new people moving to Wisconsin. These challenges have led to a diminished pool of workers that has slowed economic growth, exacerbated supply chain disruption, and forced many businesses across the state to cut production or reduce hours of operations. The labor shortage cannot be fixed overnight and will require a mix of solutions. However, one measure the Legislature can take immediately is to provide additional funding for the state's talent attraction marketing initiative to encourage out-of-state workers to move to Wisconsin for career opportunities and a better quality of life.

Senate Bill 843 would direct the Evers Administration to use \$10 million in American Rescue Plan Act (ARPA) funds to develop and implement initiatives overseen by the Wisconsin Economic Development Corporation (WEDC) to recruit much-needed talent to Wisconsin. More specifically, the bill requires WEDC to use the funding to attract a highly-skilled, work-ready population to Wisconsin – U.S. military members transitioning to civilian life.

Mr. Chairman, you authored and passed a bill in 2017, Wisconsin Act 318, with then Representative Mike Rohrkaste, that required the WEDC to develop and implement initiatives for attracting talent to and retaining talent in Wisconsin. That Act provided WEDC with an appropriation of \$6.8 million in general purpose revenue in fiscal year 2017-18 to pay for the initiatives. Our current, 2021-2023 budget allocates \$3 million to WEDC for talent attraction and retention initiatives. What's proposed under this bill is a model that this body has successfully utilized before, and I believe there are at least a couple of major organizations that work with job creators that will be able to testify here today on the value of this proposal.

Every year, nearly 200,000 service members leave the military to enter civilian life, and these new veterans often have the skills needed to help address Wisconsin's worker shortage and talent gap. Veterans have proven to be strong performers in the workplace, tend to have high education credentials, and possess tremendous work ethic and leadership qualities. Wisconsin businesses would benefit greatly from tapping into a larger talent pool of veterans who move here to live and work. While allocating new funding for WEDC's talent attraction marketing campaign – focused specifically on veterans – would not be a silver bullet, it would certainly be a key component of a wider strategy to address Wisconsin's workforce shortage crisis. I respectfully ask for your support in moving this proposal forward.



Testimony on *Senate Bill 843* before the  
**SENATE COMMITTEE ON ECONOMIC AND WORKFORCE DEVELOPMENT**  
January 26, 2022

*Wisconsin Economic Development Association*

Good morning, Chairman Feyen and members of the committee. My name is Michael Welsh, and I am the Legislative Affairs Director for the Wisconsin Economic Development Association (WEDA). Thank you for the opportunity to testify today in favor of Senate Bill 843. This important legislation will help address Wisconsin's growing workforce shortage crisis by providing funding for a comprehensive talent attraction program that focuses on military veterans.

I would like to thank Chairman Feyen for holding a public hearing on this bill, as well as Sen. Wimberger and Rep. VanderMeer for introducing SB 843. WEDA certainly appreciates their efforts to address the state's labor crunch.

By way of background, WEDA is a statewide association representing over 425 public and private sector economic development professionals. We are dedicated to advancing economic prosperity in Wisconsin and providing our members with the necessary tools to encourage business expansion, promote private investment, and attract much-needed talent to the state.

As I am sure you have heard repeatedly from local businesses in your districts, one of the biggest – if not the biggest – challenge facing Wisconsin employers today is their inability to find enough workers to fill open jobs. In fact, the shortage has reached a crisis point for businesses in nearly every sector and is threatening Wisconsin's future economic growth. It has resulted in business closures, production stoppages, supply shortages, and longer wait times for consumers.

There are numerous reasons behind the state's worker shortage, including falling birthrates and an aging population, as well as lackluster in-migration rates and younger residents leaving the state for new opportunities. Other workforce obstacles include childcare, affordable housing, and transportation challenges. Unfortunately, there is no single piece of legislation or solution that will adequately address the crisis, but if signed into law, SB 843 will have an immediate impact in attracting new employees to Wisconsin.

This legislation will provide \$10 million in federal American Rescue Plan Act (ARPA) funding to the Wisconsin Economic Development Corporation (WEDC) for the purpose of marketing Wisconsin as a great place to live and work for U.S. service members and their families who are transitioning to civilian life. Almost 200,000 service members leave the military each year, and these new veterans often have the skills, training, and leadership qualities needed to help address Wisconsin's talent gap and provide our businesses with an expanded employee pool.

WEDC's past talent attraction efforts have been successful and illustrates that this approach works. In fact, a survey conducted to determine the impact of WEDC's talent attraction campaign showed the perception of Wisconsin among out-of-state millennials significantly improved in numerous areas, including career opportunities, work-life balance, and raising a family. In addition, 52 percent of those surveyed indicated they would be likely to consider moving to Wisconsin for a job opportunity, which was a significant increase over previous surveys.

WEDA believes this same approach will work to encourage highly skilled, work-ready veterans to move to Wisconsin for career opportunities and a better quality of life. SB 843 will also revive the state's role in talent attraction marketing, which should be a key component in our overall efforts to attract the best and brightest minds to Wisconsin.

In closing, I would again request your support for SB 843 and ask that you pass it out of committee as soon as possible.

Thank you for your consideration.

# WMC

Wisconsin's Chamber

TO: Members, Senate Committee on Economic and Workforce Development

FROM: Rachel Ver Velde, Director of Workforce, Education and Employment Policy

DATE: January 26, 2022

RE: Support for Senate Bill 843, talent attraction and retention initiatives for veterans

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Wisconsin Manufacturers & Commerce (WMC) appreciates the opportunity to testify in support of Senate Bill 843. I want to thank Senator Wimberger and Representative VanderMeer for authoring this important legislation to provide a key investment in veteran talent attraction and retention in Wisconsin.

WMC is the largest general business association in Wisconsin, representing approximately 3,800 member companies of all sizes, and from every sector of the economy. Since 1911, our mission has been to make Wisconsin the most competitive state in the nation to do business. That mission includes making sure Wisconsin's employers have a capable and willing workforce.

Unfortunately, employers in Wisconsin have severe worker shortages and an inability to fill key positions. According to WMC's most recent *Wisconsin Employer Survey* conducted in June 2021, the biggest challenge facing Wisconsin employers is the workforce shortage, with 86% of employers indicating that they are struggling to hire workers. Moreover, 72% of these employers responded that the workforce shortage is the top public policy issue facing Wisconsin.

The viability of thousands of businesses around the state and the jobs they support are threatened by these worker shortages. Workforce shortages create critical supply chain disruptions. This not only negatively affects employers, but also the prices and availability of goods for consumers throughout Wisconsin. Wisconsin must act to prevent lasting and permanent damage to our state's workforce and overall economy.

The talent attraction program passed by the legislature and implemented by the Wisconsin Economic Development Corporation (WEDC) in 2018 helped shape the perception of Wisconsin to those outside and within the state as a place to grow, learn and thrive. This perception is vitally important to ensure that Wisconsin is recruiting and retaining an active and robust workforce. Particularly, the WEDC program for veteran recruitment was immensely valuable to employers. These veteran workers have proven to be some of the most capable and reliable employees in the workforce.

This bill directs Governor Evers and his administration to use \$10 million in American Rescue Plan Act (ARPA) funds to develop and implement a veteran talent attraction and retention program. Nearly 200,000 service members are transitioning out of the military every year and Wisconsin should do all that we can to make these service members aware of the opportunities they have in

Wisconsin. This includes not only the wide array of work opportunities, but also the numerous resources and programs Wisconsin offers to veterans and their families.

Many veterans already have the training and education needed to work in high demand fields and are able to help fill the current talent gap. Also, when we attract these veterans to live and work in Wisconsin they often bring a spouse and children with them. This creates an additional opportunity for the Wisconsin workforce. This program is a prime opportunity for our state to bring new, skilled workers into our economy at a time when these individuals are looking for new employment and new opportunities.

WMC urges members of the Senate Committee on Economic and Workforce Development to vote in favor of Senate Bill 843 which would bring new talent to Wisconsin to help employers that are struggling in the current workforce crisis.