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2024 ISSUES

2023: Thank you for a year of significant economic progress

“Thank you” is the major theme of the 30th Annual Chippewa Valley Rally, with many of our region’s most important economic priorities enacted in the 2023-25 State Budget or through other state legislation and action. This includes critical capital projects at area UW institutions, the compromise on shared revenue for local governments, repeal of the personal property tax, legislation to address housing supply and affordability, and the first step in expansion of passenger rail service to include the Chippewa Valley. Some issues remain to be resolved, including childcare, tax reform, and the EV charging network.

Special note – HSHS and Prevea closures

The late January announcement by HSHS and Prevea of the closure of their hospitals and clinics in the Chippewa Valley has created a healthcare, workforce, and economic crisis for the region. As community leaders identify the ramifications and work on solutions, there may be issues related to needed state action that will be added to the Rally agenda.

Regional Priority:

Critical investments in higher education

♥ *Thank you*

Completion funding for the UW-Eau Claire Science and Health Sciences Building

The 2023-25 State Budget included the final capital funding needed to complete the \$340.3 million Science and Health Sciences Building at UW-Eau Claire. Scheduled to replace the outdated Phillips Science Hall, the project includes a key partnership with Mayo Clinic Health System., which plans to support it with \$13.7 million in philanthropic contributions. It meets 21st century STEM research and education needs, providing regional economic and healthcare benefits far beyond the borders of the campus. The 2023-25 budget enumerated \$231.3 million for project completion, \$226.8 million of which came in the form of cash from the state surplus rather than bonding, saving taxpayers tens of millions in interest costs.

The Chippewa Valley is poised to become a leading provider of health care services throughout northwestern Wisconsin. This building will house UWEC’s STEM and Health Sciences departments and the intensive research laboratories they require. The Science and Health Sciences Building includes 10,000 square feet of laboratory spaces funded by Mayo Clinic to further their research partnership with the university, allowing for enhanced collaboration with UWEC faculty

and students, as well as a permanent home for the high performance supercomputing array secured through a donation from Hewlett Packard Enterprise and a National Science Foundation grant. These modern teaching and research spaces, in addition to new Nursing simulation teaching laboratories, will help UW-Eau Claire continue to produce the STEM and health sciences graduates regional industries need. The project will break ground this year with construction expected to take two years.

♥ *Thank you*

Funding of the UW-Stout Heritage Hall Renovation Project

The 2023-25 State Budget included \$138.9 million for major renovations and additions to modernize UW-Stout's Heritage Hall. The renovation addresses instructional environments and operational efficiency in order to provide state-of-the-art workforce training and services. Built in the early 70s and now serving more than 2,000 students every year, this 133,000 square foot building was graded as "fail" in nearly every category in an independent architectural study.

The Heritage Hall Renovation Project supports UW-Stout's capacity as Wisconsin's Polytechnic University to address forecasted workforce needs in hospitality and tourism, health and wellness services, childcare, and education by increasing Stout's already unmatched post-graduation employment rates. The renewed applied learning spaces, expanded development of career-focused programs, market-driven professional development offerings and community services, and innovative collaboration with business and industry will enhance its value to the state's economy, taxpayers, and students. Stout plans to break ground in the summer of 2025 with estimated completion in the summer of 2028.

♥ *Thank you*

Continued local control for CVTC and the Technical College System

Chippewa Valley Technical College (CVTC) has shown exceptional leadership in meeting the needs of employers and community members with high quality, targeted education and training, including innovation in course design, being responsive to employer advisory committees, and implementing dual credit initiatives at area high schools.

Although a change in the operational tax levy authority for technical colleges was considered as part of the budget process, we appreciate that these changes did not go forward and that the current system was maintained. Experience shows that this system provides accountability and responsiveness to local needs.

★ *Future action requested*

UW-Stout Recreation Complex Renovation

Bonding authority will be requested in the 2025-27 budget for UW-Stout's plan to renovate and expand its Sport and Fitness Center. This \$30.5 million project will be funded entirely with donor support and student-approved fees, without the use of taxpayer dollars. In addition to providing enhanced student health and wellness, the complex will benefit other partners including area youth and private industry.

We also encourage consideration of reforms to state bonding approval processes that separate taxpayer-supported commitments from those that are paid for through program revenues or other non-tax sources.

Regional Priority:

Economic development and tax reform

♥ *Thank you*

The dedication of 20% of state tax revenues to local governments and repeal of the personal property tax

The reform of the state's shared revenue system by dedicating sales tax revenues to local governments was a major accomplishment of the 2023-25 State Budget process. This provides a mechanism for revenues to grow naturally as economic activity increases. Repeal of the outdated personal property tax was also a positive outcome, removing a burden on businesses.

★ *Action requested*

Consider tax reform initiatives to eliminate or significantly decrease the state’s income tax burden

This would enhance the state’s competitiveness and ability to attract and retain talent, while potentially providing an opportunity to address other tax fairness issues without jeopardizing overall state revenues and essential services. We encourage the Legislature and the Governor to come to terms on tax reductions that will benefit the largest portion of state income tax payers.

Regional Priority:

Workforce development

♥ *Thank you*

2023 legislation enacted to address housing supply and affordability

Wisconsin’s housing shortage across all levels is closely related to the workforce crisis, as well as having a detrimental effect on affordability. State policies, regulations and statutes should encourage infill development, creation of missing middle housing types, compact growth, efficiency of public resources, and the ability to build the types of housing demanded by the marketplace.

Key progress was made in 2023 with legislation enacted to ensure local compliance with comprehensive plans, along with the four affordable housing programs established at the Wisconsin Housing and Economic Development Authority (WHEDA). The latter include creating a residential housing infrastructure revolving loan fund program, creating a main street housing rehabilitation revolving loan fund program, and creating a loan program for developers converting commercial buildings into residential ones. We appreciate the passage of these bills and look forward to their implementation.

♥ *Thank you* ★ *Continued progress needed*

Eliminate backlogs in occupational licensing and institute regular reviews of standards

There is a continuing need to address Wisconsin’s occupational licensing system both in terms of the efficiency and effectiveness of the service the Department of Safety and Professional Services (DSPS) provides to licensed occupations, and to provide a periodic review of the need and appropriateness of all occupational license standards.

Professionals in many occupations have reported significant backlogs in receiving credentials from DSPS, hampering their ability to work and earn a living. The Department of Safety and Professional Services must continue to take steps to eliminate the backlog in occupational licensing.

We appreciate that the 2023-24 State budget provided additional funding for DSPS staff to help expedite licensure and for technological investments. There has been improvement, but continuing progress needs to be made so that licenses can be processed in a timely manner.

Government regulation and licensure is appropriate when it provides necessary standards to ensure public safety, professional competence, and fairness. It is important to keep regulations up to date based upon changes in technology and best practices. Regulations should not be burdensome in ways that inhibit responsible activities, or serve to block appropriate economic competition. The state should have a system to periodically review the need, value, and standards for each profession subject to occupational licensing.

Professional standards regulations should be harmonized with other states to make it easier for competent professionals to move from one state to another for employment opportunities. This can otherwise inhibit recruiting of talent from other states and delay qualified individuals from being able to continue the profession in a timely manner. There has been some

movement on this issue, such newly enacted legislation related to physician assistants and professional counselors, but more needs to be done.

★ *Action requested*

Address the childcare crisis

The availability and affordability of childcare has become an increasingly acute issue for employers, families, and childcare providers. It has inhibited the ability of families to take full advantage of employment opportunities and for employers to have full access to the potential talent pool. What's more, childcare providers are faced with a business model that makes it challenging to pay competitive wages and deal with regulatory hurdles. Covid relief funding has provided stopgap assistance to maintain some capacity, but is temporary and inadequate to provide a long-term solution. There is an urgent need for innovation on the part of the state to address the funding, business model, and regulatory oversight of early childhood care and education in ways that will effectively deal with availability, affordability, and accountability for quality and safety. This by necessity must address the business model for childcare providers, especially in their ability to attract and retain motivated, high quality staff.

This issue has engendered much debate and potential legislation. We continue to encourage all parties to come together to provide meaningful and practical solutions to these issues.

★ *Action requested*

Provide state leadership on talent attraction and retention

It's essential for the state to help address the workforce shortage through initiatives to attract and retain talent – including marketing the positive attributes of the state and its regions to attract new talent, encouraging former residents and students to return, highlighting opportunities for transitioning veterans, and keeping Wisconsin graduates in the state.

Regional Priority:

Infrastructure

♥ *Thank you*

Successful grant applications to pursue expanded passenger rail service to the Chippewa Valley and other major state cities

Thank you and congratulations to Wisconsin DOT for applying for and receiving federal grants to pursue passenger rail expansion in Wisconsin.

We support the expansion of passenger rail service in high-potential Wisconsin corridors as a needed and worthwhile investment for the economic future of our state. The Chicago-Milwaukee Hiawatha train service has been one of the most successful services in the country, and similar benefits should be provided to other major state economic centers. Frequent service to more cities will help attract and retain business and the talent critical to their success; provide a convenient, economical, and environmentally-friendly alternative to driving; accelerate economic growth opportunities; improve quality of life; increase tourism; and add resiliency to our transportation system.

The Bipartisan Infrastructure Law provides a significant federal funding pipeline for corridor development that is, for the first time, on par with federal funding formulas for other modes like highways. The first step in eligibility is the designation of eligible corridors by the Federal Railroad Administration (FRA). In 2023, Wisconsin DOT was successful in receiving all four of the corridor development grants it sought – including a Chicago-Milwaukee-Twin Cities line via Madison and/or Eau Claire – and supported the Chippewa-St. Croix Rail Commission's successful application to develop an Eau Claire-Menomonie-Hudson-Twin Cities regional corridor.

♥ *Progress made*

Prioritize continued expansion of broadband access to unserved and under-served areas.

Availability of broadband has become as essential in today's economy as electricity and telephone service. Connecting rural Wisconsin towns, villages, and communities with reliable broadband requires a strategic and thoughtful approach. As funding is deployed, it should prioritize appropriate data collection, mapping, and sufficient speeds. Cooperatives, telephone companies, and middle-mile backbone networks all play a critical role in broadband delivery. The state is making progress and will soon be deploying \$1.055 billion in federal funding in 2024-25.

★ *Action requested*

Build out electric vehicle charging infrastructure to include major highway corridors and rural areas.

With significant federal funding for EV stations on the way, the preparation, planning, and investments to build out Wisconsin's charging station network must include small and medium-sized communities. Economic development partners like local electric utilities will play an important role in fulfilling the needs of the traveling public. Legislative action is needed to be able to access this funding and to incentivize the production and deployment of charging infrastructure. It's important for all parties to work together to solve the issues that have previously held up such legislation, balancing the need to encourage private enterprise with the need to increase access.

★ *Action requested*

Improve the feasibility for localities to receive and utilize infrastructure grants

The Bipartisan Infrastructure Law includes significant competitive and formula funding for state and local investments in water infrastructure, roads & bridges, aviation, and freight & passenger rail. It's important for Wisconsin to be prepared to seek and utilize these funding streams in all areas where they will provide benefits to our economy.

Grant funding from both federal and state sources are critical for local governments to maintain and improve their infrastructure. However, state agencies have increasingly required applicants to invest significant costs to provide complete construction plans, specifications, and environmental documents to be able to apply for infrastructure grants, without any sense of whether they are likely to win an award. For smaller entities, this can be a major barrier for them to be able to compete for these available resources. There is a need for the state to consider how it can help these communities be able to access available infrastructure funding.