



May 12, 2025

To: Joint Committee on Finance
Wisconsin Legislature

From: Eau Claire Area Chamber of Commerce
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Re: 2023-25 Budget Comments

The Eau Claire Area Chamber of Commerce has served our community since 1915 as the advocate of business. We have over 1,000 investor organizations who employ more than 45,000 individuals throughout the Eau Claire area. We work to represent the business community as a champion of a strong local and regional economy. We also coordinate the annual Chippewa Valley Rally, so you may remember seeing business and community leaders from our region on April 22 when we were in Madison. Thank you for the opportunity to comment on our economic priorities as they relate to the 2025-27 Biennial State Budget.

Below you will see our key priorities, including those with specific budget requests, and well as those that are qualitative pending specific proposals to address those issues.

Key overall priorities of our region include:

- **Address the regional healthcare crisis**
- **Infrastructure**
- **Economic development and tax reform**
- **Education**
- **Childcare**
- **Housing**
- **Homelessness**
- **Energy**

Specific budget items that address some of these priorities:

- **Establish the Department of Tourism Office of Outdoor Recreation as permanent.**
Fund the Office of Outdoor Recreation, created in 2019, as a permanent part of the Department of Tourism. With the recent analysis by the US Bureau of Economic Analysis showing a record, growing economic impact of outdoor recreation for Wisconsin's economy - \$11.2 billion in 2023 - it's important to continue the progress already achieved. We support the department's request for \$500,000 in funding and related staff positions. This is a high priority of our local Direct Marketing Organizations.
- **Passenger rail: Ensure the required 10% match to continue passenger rail studies.**
Specifically for the Chippewa Valley, provide state funding for the 10% match needed for the Eau Claire-Twin Cities regional corridor proposed by the Chippewa-St. Croix Rail Commission and

WisDOT's study of the complementary Milwaukee-Madison-Twin Cities route. This match would provide the funding needed provide the information necessary to identify the costs, benefits, value, and return on investment to determine the feasibility of these corridors. These trains would become part of the state's successful, growing passenger rail program, centering on continuing improvements to the Chicago-Milwaukee Hiawatha corridor, the successful new Borealis extension to the Twin Cities via La Crosse, and the potential new corridor to the Fox Valley and Green Bay. Something akin to the statewide budget request of \$12 million in FY 2026 and \$17 million in FY 2027 would be a reasonable investment within the overall transportation budget given these benefits.

Additionally, the Eau Claire-Twin Cities study being coordinated by the Chippewa-St. Croix Rail Commission includes innovations such as a competitive process for selecting the rail operator; a Direct Access Model for using existing track capacity on the host railroad, Union Pacific, that may reduce the need for up front capital expenses; and the application of transportation-oriented development concepts to maximize local economic benefits. Something under \$400,000 of the total WisDOT appropriation would provide the match for the planned study for this specific corridor to advance these concepts.

- **Resolve the conflict over the \$15 million stopgap healthcare funding for the Chippewa Valley.**
Although this funding was appropriated in 2024 to address immediate service deficiencies following the closing of area hospitals and clinics, it was left in limbo because of disagreements between the administration and the legislature. It's important for both sides to come together to apply this funding as soon as possible to emergency services and mental health deficiencies that have specifically affected the Chippewa Valley.
- **Release the \$125 million appropriated for PFAS remediation.**
Although the 2023-25 budget set aside \$125 million to help local governments and landowners clean up PFAS contamination, its release has been held up by disputes between the administration and legislature over the DNR's authority and potential liability for landowners who didn't cause the contamination. In the meantime, many localities have committed significant funding to PFAS remediation. It's important for everyone to work together to resolve this issue and make this funding available.
- **Support the Technical College System's budget request.**
This will serve to sustain its cost-effective, employer-driven, and student-responsive educational programs. As enrollments rebounded rapidly post-COVID, institutions like CVTC are leading in initiatives that reduce costs for students, while providing high-cost, essential programs like healthcare, manufacturing, and public safety that are critical to Wisconsin's workforce. This funding is essential to ensure all eligible technical college students can access Wisconsin grants without being turned away due to insufficient resources.

Qualitative priorities related to the state budget and/or needed legislation:

The following are key items that are part of our Business Issues Agenda that are qualitative, pending specific budget and/or legislative proposals to address them. We would appreciate them being taken into account as the budget is completed:

Healthcare

Following the 2024 closure of local HSHS hospitals and Prevea clinics, our region has been navigating a severe healthcare crisis. In addition to the release of the \$15 million stopgap funding noted earlier, we encourage efforts to accelerate rulemaking to establish the regional crisis mental health centers approved last year. Longer term, we support structural reforms to stabilize healthcare funding, address Medicaid reimbursement, strengthen EMS coordination, and promote innovation through partnerships with institutions like UW-Eau Claire and CVTC.

Education

- **Ensure adequate funding to continue the growth of dual credit programs in Wisconsin high schools** through partnerships with technical colleges such as CVTC and with the Universities of Wisconsin. These programs have saved parents millions of dollars in tuition and provided accelerated opportunities for high school students to achieve college credit and even degrees, providing additional benefits in reducing workforce challenges. In 2023, for example, 6,434 students from 55 area school districts earned credits, a tuition savings of \$3.8 million.
- **Significantly improve Wisconsin's ranking in public support for the Universities of Wisconsin**, which currently ranks 43rd out of 50 states, far behind neighbors like Iowa, Illinois, and Minnesota. It's critical for our economic future that our universities remain competitive in attracting faculty and providing students with an effective academic experience. For UW-Eau Claire, providing connections between Career Counselors and businesses; establishing a new Healthcare Education Network to coordinate research, scholarships, pre-medical and pre-professional support, and learning opportunities for students across high-demand healthcare career fields.

Workforce Development

- **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. We also urge consideration of further incentives for employers and parents to help with child care expenses.

- **Continue 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. Ensure the effective implementation of Wisconsin Housing and Economic Development Authority (WHEDA) programs and funding, ensure fairness and adequate funding for Low Income Housing Tax Credit (LIHTC) programs, and work to eliminate regulatory barriers that artificially inhibit market demand.
 - We appreciated the 2023 legislation investing \$525 million to address housing supply and affordability. We support modifications to the bills as needed to ensure that the funds are deployed to meet their intended impact.
 - We also support Modernizing Tax Increment Financing (TIF) laws to help spur housing development, especially workforce housing.

Tax Reform

- **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.

- **Address the impact of the increasing number of referendums** on the property tax burden but also the constraints and challenges local governments face in responding to increased demands on essential services resulting from inflation and growth. Localities should be in a position to benefit from growing revenues when local sales tax collections increase. Address formula inequities in shared revenue and school aid. Consider providing more flexibility to local governments, such as inflationary adjustments and the ability to consider enacting local sales vs. property tax increases

Homelessness

As communities like Eau Claire address homelessness through local collaboration, we support greater coordination and state investment in regional systems for mental health, addiction treatment, and housing support services. Wisconsin's recent Medicaid waiver is a promising step, and we encourage efforts to align housing-first strategies with critical support systems across jurisdictions.

Energy

The investor-owned utilities and electric cooperatives serving the Chippewa Valley have demonstrated responsible leadership in working towards renewable energy and reduced carbon emission goals, while at the same time meeting responsibilities to for cost-effectiveness and reliability. We urge the Legislature to support these policies, including consideration of Right of First Refusal legislation to allow Wisconsin-based utilities to maintain local control of transmission infrastructure and grid reliability.

Thank you for your leadership and commitment to Wisconsin's future. We welcome your partnership on these priorities to support economic growth, community well-being, and statewide competitiveness. We would be glad to discuss any of these issues further.

Sincerely,



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