



Chamber of Commerce
LA CROSSE AREA

Issues Paper

April 25-26, 2018



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Healthcare

Thank you: Expand Health Care Access and Improve Outcomes via Telehealth

The Bipartisan Budget Act of 2018 (BBA) expanded telehealth services in Medicare Advantage plans, for Medicare patients suffering from acute stroke and allows for greater flexibility for end state renal disease dialysis treatments at home. These policy changes offer the potential to improve access and quality of care for Medicare beneficiaries, especially those who are suffering from chronic conditions and whose lives could be saved by early

interventions such as stroke patients. Thank you for recognizing and improving the ability for health care professionals to utilize telehealth as a tool to increase the health of our patients. The Congressional Budget Office projects that these policy changes will likely produce significant savings, which is exactly the evidence Medicare needs to continue its expansion of the telehealth benefit. We continue to ask Congress to

remove the overarching geographic restriction in Medicare for all telemedicine services be saved by early interventions such as stroke patients.

RECOMMENDATION

Continue expanding the availability and coverage of telehealth services. Additionally, we ask Congress to ensure that telehealth services are incorporated into emerging health care payment models and remove all geographic restrictions for coverage.

The 340B Drug Discount Program

The 340B Drug Discount Program is critical for assisting hospitals providing services for patients who are uninsured or unable to afford care. The 340B Program has benefited hospitals and patients by covering uncompensated costs for uninsured and supporting charity care funds. Changes to the 340B program must be made with caution and consideration. The 340B program is more than a discount program

for pharmaceutical products. The savings fund community services and programming. Repealing or significantly modifying 340B would severely impact our hospitals' ability to continually serve our communities in western Wisconsin, southeast Minnesota, and northeast Iowa.

RECOMMENDATION

Congress should continue to support and improve 340B. To improve the

integrity and transparency of the program, we recommend an increase in audits for prescription drug manufacturers to combat pricing errors and to continuously explore ways to continue financing the administration and oversight of the program. Any efforts aimed at greater reporting should be administered in balance with pharmaceutical manufacturers and covered entities.

Maintain Current Swing Bed Reimbursement for critical Access Hospitals

Following the closure of many small rural hospitals in the 1980s and 1990s, Congress created Swing Beds “to maximize flexibility of rural providers to deliver the care needed by its population on any particular day.” Swing beds are acute care beds that can also be used for skilled nursing care, allowing for more efficient use of limited resources.

Swing Bed reimbursement helps small rural hospitals cover costs that don't change when acute patient volumes increase or decrease, such as maintaining a 24/7 emergency

department.

A proposal last fall in early versions of the bipartisan Medicare extenders package from the House Ways and Means Committee would have negatively impacted many Critical Access Hospitals (CAHs) in Wisconsin. The proposal sought to offset extensions in other sections of the package by reducing CAH swing bed reimbursements to Skilled Nursing Facility Prospective Payment System (SNF PPS) rates – an 85% payment cut. This change would have created further financial hardships for

already struggling hospitals providing critical services to rural populations.

RECOMMENDATION

We are pleased that Congress did not move this proposal forward beyond the Ways and Means Committee discussion drafts. We ask that current Swing Bed reimbursement is maintained to help ensure that Critical Access Hospitals can continue to care for the rural patients who rely on them.

Infrastructure

Support Long-term, Sustainable Transportation Infrastructure Funding

The 7 Rivers Region is fortunate to have diverse and abundant modes of transportation to support our local businesses and spur economic development. We have the interstate highway system, rail, Mississippi River shipping, and commercial air service directly to Minneapolis, Detroit, and Chicago. However, our transportation system is aging and crumbling. It is reducing our productivity, adding to the cost of moving products across the country and around the world, and increasing congestion and access to destinations throughout the region. Agriculture, Tourism and Manufacturing in our region are entirely dependent on a reliable transportation infrastructure network that includes roads, bridges, ports and airports.

- Annually, \$264 billion in goods are shipped from sites in Wisconsin and another \$236 billion in goods are shipped to sites in Wisconsin, mostly by truck. (TRIP Report, May 2016)
- 1,393,428 full-time jobs in Wisconsin in key industries like tourism, retail sales, agriculture and manufacturing are completely dependent on the state's transportation infrastructure network. These workers earn \$54.8 billion in wages and contribute an estimated \$10 billion in state and local income, corporate and unemployment insurance taxes and the federal payroll tax. (TRIP Report, May 2016)
- 82% of the goods shipped annually from sites in Wisconsin are carried by trucks and another 14% are carried by courier services or multiple mode deliveries, which include trucking. (TRIP Report, May 2016)

River Infrastructure

La Crosse is the largest port on the Mississippi River in Western Wisconsin. Every year, nearly one million tons of commodities are handled in the La Crosse harbor. Materials such as cement and asphalt for our roads, pig iron for foundries, salt to melt ice, and coal to heat the local university arrive in La Crosse by barge. Soybeans and corn from regional farmers are loaded onto barges where they begin their journey to international markets. La Crosse is located on Pool 8 of the Upper Mississippi River. Tow boats must travel through 19 locks before they arrive in St. Louis. All but one of these locks were built in the 1930s, a time when steam was the most common form of power. This antiquated system of locks continues to become more unreliable and insufficient with each passing shipping season. Failure to reinvest in this infrastructure

We can no longer afford to underinvest in the infrastructure, which Americans rely on in our daily lives. We need proposals that provide improvements to all types of infrastructure throughout the country and address large important projects that make our businesses more competitive by reducing shipping, commuting, water and energy costs.

An infrastructure initiative requires the bipartisan leadership of Congress and the Trump Administration. This is a generational opportunity to end the cycle of uncertainty which has plagued America's infrastructure network and has the potential to usher in a new era of desperately needed improvements and economic stability. However, this will take leadership and bold, innovative solutions.

RECOMMENDATION

- Restore solvency to the Highway Trust Fund, providing confidence the Federal government can maintain a state of the art infrastructure system, which is essential to efficient product and talent distribution. A secure, sustainable solution to funding the Highway Trust Fund would allow projects to be planned in advance and completed efficiently and cost effectively.
- Ensure full funding for our water systems and implement reforms to the permitting process to reduce costly delays and get projects off the ground more quickly.

will continue to decrease the competitiveness of local agricultural and other industries, and it will leave future generations with an unfunded liability. The FY2018 Omnibus Appropriations Bill recently signed into law will provide the U.S. Army Corps of Engineers the much-needed funding to complete critical repairs on Locks and Dams and perform channel maintenance. Furthermore, the increase in the use of estimated annual revenues from the Inland Waterway Trust Fund for priority navigation projects reflects a congressional interest in supporting larger capital improvement projects. The increase will result in long-term economic benefits through modernization of antiquated infrastructure that will economically benefit La Crosse, and many other communities, well into the future.

RECOMMENDATIONS

- Support the Navigation and Ecosystem Sustainability Program (NESP) managed by the U.S. Army Corps of Engineers for navigational improvements and ecological restoration for the Upper Mississippi River System. This dual purpose plan will reduce traffic delays and ensure environmental sustainability along the Upper Mississippi River. Congress suspended funding in June of 2011 after nearly a decade of preconstruction engineering and design work.
- Continue to support and fund the Water Infrastructure Improvements for the Nation Act (WIIN), which includes the Water Resources Redevelopment Act (WRRDA). In 2016 this water resources action returned to a biennial process after a nine-year hiatus. This Act is where Congress authorizes the

U.S. Army Corps of Engineers to develop and maintain critical waterway infrastructure, carry out environmental restoration, and implement flood protection.

- Support America's Marine Highway Grant Program led by the Department of Transportation to expand the use of the nation's waterways to increase efficiencies of the surface transportation system. This program includes the M55/M35 corridors that incorporate the Mississippi River, which travels through 10 states. This grant program will help generate new businesses that move freight along the waterways.

Flood Plain Management

The City of La Crosse has an estimated 1,200 homes and 200 businesses in the floodplain – more than \$120 million in real estate is affected. Some structures need a moderate fix, such as building up dirt around the foundation, while others need a more elaborate fix such as lifting the entire structure. Most property owners with outstanding mortgages must pay flood insurance, and in the City of La Crosse alone, those premiums add up to more than \$600,000 each year.

Despite the large number of homes in danger of a 100-year-flood, the city hasn't had a major flood event for more than half a century and has never had a severe repetitive loss, which means multiple floods within five years. Solutions to redevelop massive areas of infrastructure, homes and businesses in the floodplain are extremely costly. For example, one block of modest homes could cost in excess of \$2M to acquire, demolish, dispose of, fill and redevelop with new infrastructure

La Crosse faces impending economic catastrophe and economic stress on property owners due high cost of flood insurance in distressed or low income census tracts. However, no simple solutions exist, given the unique physiography of La Crosse and the physical impossibility of engineering a solution to take massive areas of real

estate out of the floodplain (like a levee).

La Crosse is currently using both Tax Incremental Financing revenues and CDBG funds to look for land acquisition, assembly and redevelopment options. As of last fall, the City was working with the US Army Corps of Engineers to appropriate funding towards a Flood Hazard Mitigation Plan. The effort is contingent on the federal budget situation. As it stands, substantial federal funding is not available without some sort of major flood event – in other words, FEMA would only step in after the disasters.

RECOMMENDATION

- Provide federal assistance to navigate flood hazard mitigation planning
- Provide technical assistance on the FEMA 10-01 bulletin and restudy of flood mapped areas that have not seen repetitive damage despite intense rainfall events in the last 10 years
- Reinstate insurance subsidies provided by the federal government to La Crosse residents in the floodplain

Workforce

The La Crosse region’s major employers face an aging workforce with a net out-migration of workers, potentially impacting most major industry sectors and small businesses in the region.

Federal policy solutions that impact workforce should be flexible and adaptable, thereby allowing local and regional economies to support the hiring needs of all employers through innovation.

The La Crosse region is a complex, diverse area with multiple industry sectors and a varied workforce that interacts with urban and

rural areas. The region’s top five employer sectors are government, manufacturing, healthcare, retail, and hospitality. To give an idea of the challenges faced by a region at nearly “full employment”, an estimated 31% of manufacturing jobs could go unfilled by 2027. Not only is the region’s 65 and older population greater than the national average, but the region also faces decreasing enrollments at all educational levels, with fewer younger people entering the workforce and staying in the region.

Addressing potential shortages in

workforce over the mid- and long-term is supported across planning efforts and economic development organizations in the region. The 7 Rivers Alliance’s 2017-2027 WISE (Workforce Innovation for a Strong Economy) Plan emphasizes a collaboratively-developed strategy for attracting talent. Federal support is needed to leverage local resources and to complement regional efforts to find solutions:

Regional Percent Change Population and Workforce Need 2017-2017

County in Wisconsin	Decrease in Population	Increase in Workforce Need
Monroe	-6%	15.4%
Buffalo	-13%	12.5%
La Crosse	-6%	18.5%
Juneau	-8%	19.1%
Jackson	-8%	11.4%
Trempealeau	-5%	29.5%
Vernon County	-8%	22.0%
Region	-8%	19.3%
Wisconsin	+1%	6.6%
United States	+4%	11.0%

By 2027

+19.3%
Job Projection

-6%
Population

31%
Manufacturing
Jobs Unfilled

RECOMMENDATIONS

Support flexibility in on-ramping new workers

Policy language that too narrowly defines apprenticeships, on-the-job training, or internships can limit creativity and innovation. The Department of Education recently experimented with different models of innovation regarding Pell grants; a similar push for alternative models of new worker training could allow our region to shine. Home to three institutions of higher education and two large healthcare systems, La Crosse is uniquely suited to creating strong models for developing healthcare workers.

Support programs and policies that help communities thrive

The aging workforce is more acutely felt in rural communities and small towns that struggle to retain younger workers. Increased funding (to the EDA or Dept. of Agriculture) to study and support strategies for strengthening communities that could really help with the retention of younger workers. The Department of Agriculture, for example, has existing structures that would strongly support the attraction and retention of young people in rural areas through job development, dual-credit programs with colleges and high schools focused around locally-based industries, and projects that specifically support small farms' exploration of business models or entrepreneurship.

Maintain a fair balance between deregulation with worker/student protections

While the Chamber is thankful for tax policy and deregulation that makes

it easier for businesses to grow, we would also like to see policies that protect workers and potential workers. For instance, Fair Labor Standard's Act's section 14c allows service providers to continue 1) supporting individuals with the most significant development disabilities, 2) assisting them in being productive and contributing members of their communities, and 3) allowing them the dignity of employment that may not be a reality in many other work settings. We also ask for continued support of the programs that develop job training for ex-offenders and impoverished individuals, which build a solid foundation for the entry-level positions that keep our economy working.

Support affordable, postsecondary education that encourages young people to thrive

We support a fair, bi-partisan effort to reform the Higher Education Act of 1965. Many entry-level positions in our workforce could be filled by those who traditionally have a harder time entering, and succeeding in, college. The PROSPER Act had some good, truly innovative ideas to simplify financial aid, maintain and allow for flexibility in Pell funding, encourage competency-based education, and provide public institutions with more resources to promote responsible borrowing. These strategies would all help with affordability and access for a traditionally undeserved population that could very well build a vibrant workforce for early career positions our employers are currently struggling to fill.



Tax Reform & Regulation

Thank you: Comprehensive Tax Reform

The Chamber's 660 members employ thousands and rely on a competitive tax code, so thank you for passing comprehensive tax reform that lowers

the corporate tax rate and includes lower rates for businesses organized as pass-through entities.

Thank you: LIFO Inventory Method

The last-in, first-out (LIFO) inventory method is used by both large and small companies and has been an important provision of the U.S. tax code since the 1930s. Thank you for

leaving the LIFO inventory method intact, so that it can continue to help businesses finance their investments in inventory.

Marketplace Fairness Act / Online Sales Tax

Twenty-five years ago in *Quill v. North Dakota*, the U.S. Supreme Court ruled that online retailers don't have to collect state sales taxes unless they have physical presence in the state. Since *Quill*, in which the Court invited Congress to resolve the sales tax issue, e-commerce has exploded and continues to grow as a result of online sales.

The enforcement of state sales/use tax laws has proven extremely difficult to achieve, and states with sales/use tax laws are collectively foregoing an estimated \$26 billion in revenue

annually. Further, brick and mortar businesses are at a clear price-generated disadvantage compared to their remote online competitors. The Chamber of Commerce supports the Marketplace Fairness Act (SB 976) and the Remote Transactions Parity Act (HR 2193), which were introduced in April 2017. Both bills have bipartisan support, although the legislative path forward in the current 115th Congress has yet to clarify itself. In the past, the Chairman of the Judiciary Committee, Rep. Bob Goodlatte, has prevented the MFA from advancing.

A pending U.S. Supreme Court case, *South Dakota v. Wayfair*, could effectively overturn *Quill* and finally result in guidance on how to apply sales taxes to online retail activity. The Court is scheduled to hear oral arguments on April 17, 2018, with a ruling expected by June.

RECOMMENDATION

Support efforts that require online retailers to contribute their fair share to the tax base. If the *South Dakota v. Wayfair* ruling does not bring equity, then legislative action will be needed in the form of the MFA and RTPA.

OUR TRI-STATE ECONOMY



THINKING BEYOND BORDERS

With La Crosse's location along the Wisconsin border, our labor shed comes from a tri-state area to fuel our businesses. Our workers travel as far as 60 miles to their positions in the La Crosse area. Combining our workforce opportunities with our retail options, La Crosse is an economic destination, pulling in individuals who come to earn and spend their income. Our economy does not recognize borders.

A WELL POSITIONED COUNTY

MADISON

143 miles - 2 hours 18 minutes

MINNEAPOLIS

160 miles - 2 hours 31 minutes

MILWAUKEE

210 miles - 3 hours 30 minutes

DES MOINES

272 miles - 3 hours and 53 minutes

CHICAGO

283 miles - 4 hours and 43 minutes



LA CROSSE AT GLANCE

136,749

LA CROSSE METRO
POPULATION

51,320

LA CROSSE CITY
POPULATION

29

MEDIAN AGE

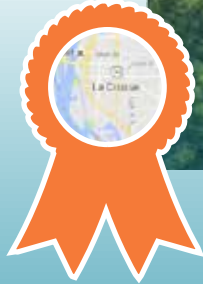
3

HIGHER EDUCATION
INSTITUTIONS

2

MEDICAL
INSTITUTIONS

ABOUT LA CROSSE COUNTY



RETAINING OUR TOP TALENT

TOP 10

Ranked number for small cities in the US where business is thriving

AMERICA'S BEST 50

Gundersen Health System received *Healthgrades* "America's Best 50 Hospitals" in 2014 & 2015

FORBES #50

Forbes ranks La Crosse #50 in the nation in "Best places for business and careers."

FOURTH BEST SMALL CITY

Inc. Magazine named La Crosse the nation's Fourth Best Small City for Doing Business

15TH BEST CITY

Named the 15th Best City in America to Do Business by *Inc Magazine*

EASY TO RETAIN, WORKING TO ATTRACT - EMPLOYMENT

From those who grew up in the area to those who came here for school, La Crosse is a place where people want to raise their children. They value our scenic beauty, our outdoor recreational opportunities, our high-quality education system and our close proximity to larger metropolitan areas. Once people come to La Crosse to work, go to school or play, they have a hard time leaving.

With the tight labor market, La Crosse Area Chamber of Commerce is working to remove our region's "hidden gem" pride. We cannot afford to be one of the state's best kept secrets. With a thriving young professional climate and businesses prepared to work together, watch for La Crosse to set the tone for how we attract talent who is choosing to live in Wisconsin and its four-seasons of splendor.

TOP EMPLOYERS - HEALTHCARE

Healthcare is a major industry in the La Crosse area with Gundersen Health System and Mayo Clinic Health System being two of the top three employers in the county. Our manufacturing base remains strong.

TOP 5 EMPLOYERS IN LA CROSSE

Organization	Employees	Business Type
Gundersen Health System	6000	Healthcare
Ashley Furniture Industries, Inc.	3000	Manufacturer
Mayo Clinic Health System	3000	Healthcare
Trane	2350	Manufacturer
Fort McCoy	2215	Government



3,011

NUMBER OF
BUSINESSES

59,715

NUMBER OF
EMPLOYEES

3.4%

UNEMPLOYMENT
RATE

\$39,835

AVERAGE WAGE

\$20,592

PER CAPITA INCOME

LA CROSSE - A WORKING COMMUNITY