

A ROADMAP TO ECONOMIC RESILIENCE - ONE YEAR LATER



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U.S. Representative Norma J. Torres

The following document outlines the progress made on the recommendations initially presented in *A Roadmap to Economic Resilience in the Inland Empire*. This initial report was the product of a comprehensive listening tour of the primary economic sectors in California's 35th congressional district and presented a broad legislative strategy to address the economic challenges facing the Inland Empire.

A Roadmap to Economic Resilience - One Year Later

U.S. REPRESENTATIVE NORMA J. TORRES

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INTRODUCTION

When I was elected to Congress, one of the first things I did was to embark on a listening tour of the district to hear firsthand from Inland Empire residents about the economic challenges facing our community. As a result of this listening tour, I published “A Roadmap to Economic Resilience in the Inland Empire,” a report that outlines a comprehensive legislative plan to foster economic growth in the Inland Empire.

One year later, bringing good paying jobs to the Inland Empire continues to be my number one priority. The following report details the progress that has been made in each of the targeted areas that we identified as priorities one year ago. We have made great progress to provide resources for the region, including supporting local control of the Ontario Airport and expansion of the Metro Foothill Gold Line, passing a long-term surface transportation bill, and providing resources to small business owners, but there is still much to be done.

Thank you to all of the constituents, business owners, employers, community leaders, education professionals, and so many others who have come through my offices over the past year and contributed to this report. I look forward to continuing to work with you to create good-paying jobs and the kind of economic growth that benefits all Inland Empire residents. If you'd like to share your suggestions, ideas, or critiques, please do not hesitate to get in touch with me or my team. My door is always open.

Sincerely,

Norma J. Torres
Member of Congress

RECOMMENDATIONS TO BUILD A STRONG INLAND EMPIRE ECONOMY

► Invest in our region's infrastructure.

The federal government must do its job and pass a long-term surface transportation reauthorization bill, which provides funding for roads, highways, and freight corridor improvements that have long been neglected but that are critical for Inland Empire business. Federal funding is not enough, however. We also need to attract private capital to the region to fund infrastructure projects and meet the growing infrastructure investment gap.

Update: There has been tremendous progress for our local transportation goals over the past year. The agreement to provide local control of the Ontario Airport is a critical first step and will create many opportunities for the region, as will the extension of the Metro Foothill Gold Line to the Ontario Airport which continues to be one of my top priorities. Additionally, late last year, I supported a multi-year surface transportation bill which was then signed into law. This bill will provide stable funding for investing in our nation's transportation infrastructure. I also introduced H.R. 2485, the Regional Infrastructure Accelerator Act (RIAA), which will connect finance and infrastructure professionals with local and state governments to provide them with the technical expertise and pre-development capital they need to attract private investment to public infrastructure projects.

► Develop the Inland Empire's workforce.

The Inland Empire is growing and its workers need more opportunities to develop skills necessary to succeed in the 21st century economy. We must not only support early childhood and STEM education programs to prepare our students for the modern economy, but we also need technical training grants alongside a strategy to connect adult workers to new employment opportunities.

Update: Over the last year, I have sponsored many pieces of legislation to promote early childhood education and STEM programs to help end opportunity gaps and ensure that all students arrive at school on the same level and are prepared to learn.

Getting kids off to a strong start and providing comprehensive programs that take into account the unique needs of vulnerable populations put kids on a lifetime path for achievement and are fundamental for all students' long-term success. To provide technical training grants to retrain displaced workers, I introduced the Job Opportunities between Our Shores (JOBS) Act, which will promote advanced manufacturing in the Inland Empire and United States and give dislocated workers the training and skills they need to find new jobs in growing industries.

► **Help small businesses succeed.**

We can help small businesses grow by giving them more access to capital. Those that show they can create jobs and contribute to the community should be able to get the capital they need at low interest rates. Furthermore, the federal government should make them a priority when procuring contracts.

Update: I am honored to have met with and worked with many small businesses during my first year in office. I held a small business training workshop to connect local small business owners with the resources available from the Small Business Administration. I also sponsored several pieces of legislation to make it easier for small business owners to get access to capital. Lastly, I am proud to have helped local small businesses with troubles they encountered when dealing with government agencies.

► **Diversify the local economy.**

Logistics and manufacturing are very important sectors of our economy, but we need a broader economy in order to thrive. We need incentives to attract new industries to the Inland Empire and to support homegrown entrepreneurs in our region. When we help them grow here, they will stay here.

Update: The Inland Empire is a hub that is constantly growing and transforming. With our strong and diverse workforce and growing International Airport, we have the tools to attract diverse business interests and add many local high-skilled jobs. I have sponsored several bills that encourage entrepreneurship and investment in manufacturing, and will continue to advocate for these programs.

INVEST IN INFRASTRUCTURE

Investment in infrastructure projects continues to be a huge priority for the Inland Empire and will be critical to our economic growth. The roadmap identified three broad categories to focus infrastructure investment: Transportation (Public Transit and Rails and Ports), Water, and Airports.

RECOMMENDATIONS & UPDATES:

Transportation

► **2015 Recommendation:** Support long-term surface transportation re-authorization to ensure that government agencies and businesses have stable, predictable funding and reliable infrastructure that will help them plan for long-term growth.

- ✓ Investing in our nation's transportation infrastructure is critical to our local and national economies. The American Society of Civil Engineers estimates that we need to invest \$3.6 trillion over the next five years alone in infrastructure ranging from roads and bridges to harbors, airports, and water facilities. The World Economic Forum downgraded U.S. transportation infrastructure from 7th in the world to 18th in the world in overall quality.

At its most basic level, repairing our nation's roads, bridges, ports, and railroads creates thousands of construction jobs. Upgrading our transportation infrastructure also relieves traffic congestion, which means our nation's manufacturers can move goods and supplies to each other efficiently. Having better roads, bridges, and ports would make U.S. manufacturers more competitive, boost wages, make livable communities, and create jobs throughout the country and we cannot continue to ignore this critical component of our economy.

This is why I voted in favor of the Fixing America's Surface Transportation (FAST) Act of 2016, a long-term surface transportation bill, which was signed into law last December.

► **2015 Recommendation:** Support legislation that encourages local technical assistance for infrastructure projects across sectors to attract private capital in order to meet the growing infrastructure investment gap.

- ✓ One of the bills I introduced as a result of what I heard on the Job Creation Listening Tour last year is H.R. 2485, the Regional Infrastructure Accelerator Act (RIAA). The bill would create Regional Infrastructure Accelerators that will connect finance and infrastructure professionals with local and state governments to provide them with the technical expertise and pre-development capital they need to attract private investment to public infrastructure projects.
- ✓ As a former Mayor, I have seen firsthand the difficulty of finding funding to repair our local roads and bridges and believe we must think creatively to solve this problem. With shrinking federal and state budgets and cash strapped local governments, we can no longer fully fund these critical projects with government funds alone.
- ✓ I was proud to see a streamlined version of RIAA included in the FAST Act, the transportation funding bill that was signed into law in December. Moving forward, I'll continue to monitor its implementation and work to expand capacity and kinds of projects that qualify.

► **2015 Recommendation:** Support the development of a freight plan that recognizes the needs of the region and its role in the movement of goods.

- ✓ I cosponsored H.R. 935, legislation that would establish the National Freight Network Trust Fund. This fund will make grants to states or regional transportation organizations to support projects that improve the performance of the national freight network.

Water

► **2015 Recommendation:** Support smart, cost-effective investments, including the U.S. Bureau of Reclamation's Title XVI and Water Smart Grant funding programs, for proven achievements in sustainable water efficiency and recycling as well as other innovative finance tools that promote successful practices like water reuse and storage.

- ✓ As California is in the midst of its fifth consecutive year of drought, it's more important than ever to find innovative and lasting solutions to develop a sustainable water supply for all Californians.

To help solve this crisis, I introduced the Regional Infrastructure Accelerator Act (RIAA) which provides local technical assistance and pre-development capital to attract private funding in order to meet the growing infrastructure investment gap for vital projects like water and wastewater treatment systems.

- ✓ I am also a proud cosponsor of the Water in the 21st Century Act. This legislation provides smart, cost effective investments in proven policies like water efficiency and recycling. In addition, the bill provides innovative finance tools that promote successful practices like water reuse and storage.
- ✓ Additionally, I supported \$300 million for WaterSMART programs in the FY2017 budget, including the designation of \$150 million of that funding to be directed for the planning, design, and construction of water recycling and reuse projects.

Airports

► **2015 Recommendation:** Support the completion of the Gold Line Foothill extension all the way to the Ontario Airport in order to increase passenger traffic and attract investment in the surrounding communities.

- ✓ Extending the Metro Foothill Gold Line to the Ontario Airport continues to be one of my top priorities. Public Transportation plays a pivotal role in economic growth potential of our region and will provide an affordable and reliable alternative to driving for commuters.

It will also encourage broader use of the growing Ontario Airport for the region. I was pleased to see LA Metro include funding for the Foothill Extension as a priority in their ballot measure proposal and hope to see construction of the Extension towards Montclair and finally to the Ontario Airport.

- ▶ **2015 Recommendation:** Support local control of the Ontario Airport, including full-time leadership, to attract more air service routes and increase the travel options for residents and businesses of the Inland Empire.

- ✓ Local control of Ontario Airport continues to be a top priority. It was an issue that came up often during the listening tour last year. I truly believe the airport has the potential to be a major economic engine for our region.

As the agreement between LAX and ONT continues through the process, I've met several times with the FAA and the Ontario International Airport Authority to make sure the transition goes smoothly. One outstanding issue is the transfer of fees that are part of the agreement. Though ONT and LAX have agreed to the terms, Congress needs to pass legislation allowing that transfer from Ontario to LAX. We've worked to get this included in the Senate's FAA bill, and I'm continuing to work with my colleagues from the region and in the House Transportation and Infrastructure Committee to get it through the House.

- ▶ **2015 Recommendation:** Support a comprehensive security assessment of Ontario Airport and increased safety personnel to adequately and efficiently manage increased movement of passengers and goods through the airport.

- ✓ I have asked the Transportation Security Administration (TSA) to conduct a joint vulnerability threat assessment of Ontario Airport.
- ✓ I am an original cosponsor of HR 5056, which would require the Transportation Security Administration (TSA) to update its risk assessment of airport security for our nation's airports and to implement a method for conducting a system-wide assessment of airport perimeter vulnerability.

- ✓ I also pressed U.S. Customs and Border Protection officials at hearings held by the House Committee on Homeland Security about how to properly staff our ports of entry, including the Ontario Airport. Having Customs and Border Patrol officers drive to the Ontario from LAX every time an international passenger flight lands is not an acceptable long term solution.

PROMOTE WORKFORCE DEVELOPMENT

Our greatest strength is always going to be our people. The diverse, hard-working men and women who call the Inland Empire home move to our communities to make a better life for themselves and their families. If you look at all of the manufacturing and logistics companies that are based here, you can argue that in many ways this country's economy is depending on the people who live and work in the Inland Empire. With increased educational opportunities and job training, businesses will find a very strong pool of workers for a variety of opportunities right here. I am proud to continue supporting workforce development to support the working families in the Inland Empire.

RECOMMENDATIONS & UPDATES:

Support for Career Training Partnerships

► **2015 Recommendation:** Support legislation that will increase funding for technical training grants, workforce investment boards, and partnerships that promote workforce development.

- ✓ To ensure there is a good linkage between our community colleges and advanced manufacturing jobs, I introduced H.R. 2601, the Job Opportunities Between Our Shores (JOBS) Act. The JOBS Act will promote advanced manufacturing in the Inland Empire and throughout the United States and give dislocated workers the training and skills they need to find new jobs in growing industries. With the JOBS Act, we can connect students and manufacturing workers with the right skills training to secure a new opportunity with a local advanced manufacturer.

The JOBS Act would authorize the Secretary of Labor to initiate pilot projects between local community colleges, state colleges, and workforce investment boards and advanced manufacturers in order to facilitate education and training programs in the field of advanced manufacturing. Eligible recipients must demonstrate their capacity to teach advanced manufacturing concepts and how they will help workers develop the skills that will lead to an industry-recognized credential.

This bill was modeled after a program we have right here with Chaffey College and California Steel Industries and my legislation would help provide additional resources for that program to expand and be replicated across the country.

- ▶ **2015 Recommendation:** Increase local awareness of the availability of training grants and provide technical assistance to potential applicants to aid in the application process.

- ✓ I cosponsored H.R. 1121, the Online Job Training Act of 2015. This bill directs the Department of Labor to award online workforce training grants to educational institutions and community-based organizations who offer workforce training programs using distance-learning technologies such as the Internet.

- ▶ **2015 Recommendation:** Provide incentives to industries and training providers in the region that partner with local community colleges and help pay student tuition costs.

- ✓ I cosponsored H.R. 1781, the Workforce Development Tax Credit Act of 2015. This bill gives businesses a tax credit when it hires a student to work as an apprentice.
- ✓ I also cosponsored H.R. 2431, which gives smaller employers an on-the-job training tax credit for up to 50 percent of the job training program expenditures for a full-time employee participating in the program.

K-12 Education

- ▶ **2015 Recommendation:** Support funding for early childhood education and STEM programs.

- ✓ I supported \$9.6 billion for the Head Start program, which helps improve the school readiness of low-income children by enhancing their cognitive, social, and emotional development.

- ✓ I cosponsored H.R. 1924, which directs the National Science Foundation to establish a program awarding competitive grants to Hispanic-serving institutions to enhance the quality of undergraduate science, technology, engineering, and mathematics (STEM) at those institutions, and increase the retention and graduate rates of students of such institutions who pursue degrees in STEM fields.
- ✓ I supported an amendment to the Elementary and Secondary Education Act (ESEA) that authorizes local education associations to use state money to fund STEM grant programs that support the success of women, minorities, and low-income students.
- ✓ I supported the STEM Education Act, which directs the National Science Foundation to award grants to support research and development of innovative STEM programs and the field of STEM education.

► **2015 Recommendation:** Support policies that encourage career-based, linked-learning in grades K-12 in order to develop learning experiences in fields such as engineering, health care, and manufacturing.

- ✓ I cosponsored H.R. 1441, the Manufacturing Universities Act of 2015. This bill authorizes the National Institute of Standards and Technology (NIST) to establish a program to designate up to 25 institutions of higher education as U.S. manufacturing universities. Each institution applying for this money must submit a plan describing its engineering programs, its relationship to manufacturing industries, and its ability to positively impact local and regional economic development. Additionally, the bill requires NIST to recommend new programs to assist small businesses to collaborate with these manufacturing universities.

► **2015 Recommendation:** Support policies that encourage businesses to look for ways to partner with local school districts to help teacher development and boost student awareness and interest in technical careers, creating a “pipeline” for jobs in the Inland Empire.

- ✓ I introduced H.R. 2601, the Job Opportunities Between Our Shores (JOBS) Act. With the JOBS Act, we can connect students and manufacturing workers with the right skills training to secure new opportunities with local advanced manufacturers.
- ✓ I also cosponsored H.R. 1503, the Community College Energy Training Act. This bill directs the Departments of Energy and Labor to create a program to award grants to community colleges to provide workforce training and education in alternative energy careers, along with careers in water and recycling.

HELP SMALL BUSINESSES SUCCEED

Small businesses are the engine that drives our local economy. I have sponsored and voted in favor of several bills that will help small businesses access more capital, as well as hosting seminars to help small business owners connect with available resources. I am also proud to have helped local small businesses navigate the complex government bureaucracy to expedite tax refunds and provided guidance to small businesses on available federal tax incentives and loans.

RECOMMENDATIONS & UPDATES:

Access to Capital

- ▶ **2015 Recommendation:** Expand access for Inland Empire small businesses to the Small Business Administration (SBA) grant and loan programs.
 - ✓ When the SBA 7(a) program reached its funding authority limit last summer, I advocated for and supported a bill to increase the limit from \$18 billion to \$23.5 billion. After its approval, the SBA was able to meet the incredible demand for capital that was experienced last year. To ensure demand is met this year, the federal budget for Fiscal Year 2016 (FY16) increased this limit to \$26.5 billion.
- ▶ **2015 Recommendation:** Increase access to financing from community banks and credit unions.
 - ✓ I cosponsored legislation that would allow credit unions with assets under \$1 billion to be exempt from a requirement that mandates financial institutions to have 10 percent of their assets in mortgage-related products in order to join a Federal Home Loan Bank (FHLB). FHLBs provide low-cost funding to member financial institutions to offer home mortgage loans. Under this legislation, credit unions and community financial institutions will be put on the same level as banks in the mortgage-lending market.

Increase Micro-Lending

- ▶ **2015 Recommendation:** Support microfinance lending programs that assist small business owners and women, low-income, veteran, and minority entrepreneurs.
 - ✓ I cosponsored legislation that would exclude extension of credit made to veterans from the definition of a member business loan. Credit unions are prohibited from making member business loans in excess of 12.25 percent of their total assets. This bill excuses loans made to veterans from this calculation, allowing them more opportunity to obtain capital to start businesses.
 - ✓ I supported legislation to modernize the SBA's Microloan Program by allowing microloan intermediary lenders to use more of their funding to provide information to small businesses that apply, as well as open up more individual lines of credit for new startups. This bill, if approved by the Senate, will have the effect of increasing small businesses' institutional knowledge of the Microloan Program, as well as boost their access to capital.
- ▶ **2015 Recommendation:** Promote microfinance lending programs in languages other than English.
 - ✓ I have been an advocate for SBA outreach that engages English as a second language (ESL) stakeholders. Last year, I was happy to see the SBA launch a Spanish-language website that makes their services more accessible to Spanish-speaking entrepreneurs across the Inland Empire. I have also taken steps to make my office a resource for non-English speakers to receive information on SBA grant and loan programs.

Access to Government Contracts

- ▶ **2015 Recommendation:** Support legislation that allows small businesses to receive a fair share of government contracts.

- ✓ In a 2015 House Homeland Security Committee hearing, I pushed the Department of Homeland Security to develop a plan to reach out to manufacturers and small businesses in CA-35 to ensure they are aware of contracts and gain information for how they can compete competitively for government contracts.

Access to Management and Technical Assistance Programs

- ▶ **2015 Recommendation:** Increase awareness of the services that SBA provides to entrepreneurs by holding periodic seminars or roundtables where SBA representatives meet with business owners.
- ✓ Last year, my office hosted our first Small Business workshop with representatives from the Small Business Administration. This workshop was for small business owners and entrepreneurs to provide guidance on the federal resources available to help their businesses grow and succeed.
- ▶ **2015 Recommendation:** Support the important work of small business development centers.
- ✓ My office continues to work closely with the Small Business Development Centers to make sure our residents have access all available resources. Starting a small business is a huge challenge but thankfully, there are resources available to help business owners obtain the assistance they need.

DIVERSIFY THE LOCAL ECONOMY

The Inland Empire is a growing region strategically located close to Los Angeles while offering less expensive real estate. We're home to an international airport and several smaller airports. We're within easy reach of the beach, the mountains, and the desert, and we're a major logistics hub, so potential investors and business interests have everything they need right here. I have sponsored several pieces of legislation to attract businesses and start-ups to the region, as well as advocated on behalf of the Inland Empire to growing industries.

RECOMMENDATIONS & UPDATES:

- ▶ **2015 Recommendation:** Support legislation, grants and technical programs that encourage entrepreneurship.
 - ✓ I supported H.R. 2499, the Veterans Entrepreneurship Act of 2015, which helps veterans access loans from the Small Business Administration and requires the SBA to assess its level of outreach to and consultation with female veterans.
 - ✓ I supported H.R. 4742, the Promoting Women in Entrepreneurship Act, which will enable the National Science Foundation to encourage its entrepreneurial programs to recruit and support women.
- ▶ **2015 Recommendation:** Offer tax incentives to industries that will relocate to the region.
 - ✓ I cosponsored H.R. 1781, the Workforce Development Tax Credit Act of 2015. This bill gives businesses a tax credit when it hires a student to work as an apprentice.
 - ✓ I also cosponsored H.R. 2431, which gives smaller employers an on-the-job training tax credit for up to 50 percent of the job training program expenditures for a full-time employee participating in the program.

- ✓ I am also a cosponsor of the *Investing in Opportunity Act of 2016*, which will create a simple and innovative way to channel capital into revitalizing economically distressed communities. This legislation will allow governors to designate local Opportunity Zones comprised of up to 25 percent of the “low-income community” census tracts in each state and then allow investors to temporarily defer capital gains recognition if they reinvest into an “Opportunity Zone.” This proposal will promote public private partnerships to revitalize low-income, distressed communities.

CONCLUSION

One year ago, I went on a listening tour across the 35th District, hosting seven roundtables and meeting with more than 200 employees, education professionals, community leaders, and owners of large and small businesses to discuss the economic landscape in the Inland Empire.

After gathering their input, I published the report: “A Roadmap to Economic Resilience in the Inland Empire,” which laid out recommendations to strengthen our infrastructure, develop our workforce, improve our economy, and help small businesses grow. I am proud to report that one year later, we have made significant progress towards these goals both in the District and in Washington, DC.

With the support of the Inland Empire community, I have been able to host constituent outreach events such as a Small Business Workshop and represent your interests in Washington where a part of my infrastructure funding bill, the Regional Infrastructure Accelerator Act, was passed into law. Although progress is underway, there is still much to be done.

As your Representative, I will continue to stand up for common sense policies that will create jobs and ensure the Inland Empire has a strong economy that will benefit our region for generations to come.

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