

Assembly Committee on Jobs, Economic Development, and the Economy

Field Hearing, City of Corona, City Council Chambers

Wednesday, September 25, 2019



Assembly Member Sabrina Cervantes, Chair

Assembly Member Jordan Cunningham, Vice Chair

Assembly Committee on Jobs, Economic Development, and the Economy

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Upward Mobility in Inland Empire

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Upward Mobility in the Inland Empire

California's record setting economic growth since the great recession has been widely reported. Unfortunately, the benefits of this recovery have not reached all areas of the state and only a select segment of the population is sharing in the resulting prosperity.

On Wednesday, September 25, 2019, the Assembly Committee on Jobs, Economic Development, and the Economy (JEDE) is convening the third in a series of informational hearings examining solutions to and opportunities for addressing the root causes and impacts of income inequality in neighborhoods across the state.

In the prior hearings, held in February and March 2019, witnesses engaged with committee members on public and private sector initiatives that were being used or could be used to support upward mobility, reduce racial disparities, and address climate change. Key themes emerged from these hearings, including the need to:

- Upskill individuals to meet market challenges;
- Establish integrated and accountable governance structures to better support businesses, program and service providers, and individuals; and
- Remove barriers for start-ups, entrepreneurs, and expanding businesses, including manufacturers.

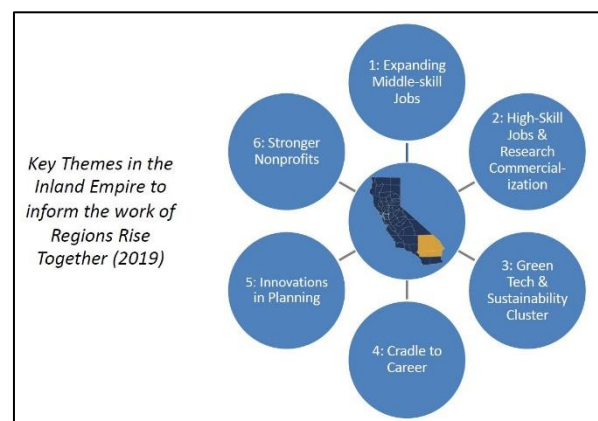
In order to advance the JEDE Committee's understanding of how sustainable and inclusive economic strategies can actually be implemented in the real world, this third hearing is being conducted outside of the confines of the State Capitol and will highlight regional initiatives in the Inland Empire, including best practices, innovative solutions, and reinvigorated regional visions.

This report has been prepared to provide a context for these presentations. In addition to providing an overview of the hearing and witness biographies, the paper includes information on the California and Inland Empire economies, as well as information on recent legislation, studies, and reports related to the hearing topic.

Hearing Overview

Hearing presentations are arranged in three parts, including opening remarks by the director of a leading edge public policy center; a briefing on how the Inland Empire's needs and priorities fit within other current state activities; and a panel of speakers with expertise on essential components of a comprehensive regional agenda that delivers inclusive economic prosperity.

As the keynote presentation, **Dr. Karthick Ramakrishnan**, Chair of the Center for Social Innovation, will present research from the Center's State of the Inland Empire series and from its recent collaboration with the Metropolitan Policy Program at the Brookings Institution on *Advancing Opportunity in California's Inland Empire*. Using this research as a basis, Dr. Ramakrishnan will brief the committee on IE Squared, a related regional innovation project, as well as the activities of *Inland California Rising*, an initiative he co-launched in February 2019 and which has already hosted summits in both of its partner regions, the Inland Empire and the San Joaquin Valley. **Appendix N – State**



of Immigrants in the Inland Empire (page xlv) includes the executive summary of the report.
<https://socialinnovation.ucr.edu/> <http://inlandrising.org/>

Additional related background materials from Dr. Ramakrishnan include: Inland Economic Growth and Opportunity (IEGO): <http://inlandgrowth.com/reports/>; State of Work in the Inland Empire: <http://socialinnovation.ucr.edu/state-work-inland-empire>; and Inland Empire Innovation Ecosystem (IE-squared): <http://iesquared.org/oasis/>

Inland California Rising is one of several active regional initiatives in the state. **Amber Bolden**, Senior Project Manager at California Forward, will discuss these other initiatives, including Governor Newsom's *Regions Rise Together* initiative, for which her organization is a key partner. California Forward is also the lead organizing partner of the 2019 California Economic Summit, where outcomes from many of these regional initiatives will be shared. **Appendix I – Handout on Regions Rise Together** (page xxxv) has more information on the initiative. **Appendix J – Flyer for 2019 California Economic Summit** (page xxxvii) includes additional information on the California Economic Summit, which is being held on November 8 and 9, 2019, in Fresno, California.

Formal scheduled presentations will conclude with a panel of economic and workforce development professionals who will highlight projects, research, and initiatives that support upward mobility and inclusive economic policies. Panelist include:

- **Molly Wiltshire**, Assistant Director, the San Bernardino County Workforce Development Board, will present a case study on its “*GenerationGo!*” Career Pathways initiative, which integrates the education, industry and workforce systems into one system designed to produce and retain relevant talent in the Inland Empire. The San Bernardino County Workforce Board, through its *GenerationGo!* initiative, is creating a pipeline of talent to meet industry demand and help grow local businesses. Currently funded through San Bernardino County's Board of Supervisors and the Workforce Innovation and Opportunity Act, the initiative has demonstrated an ability to build connections between high school youth and local businesses through work experience opportunities. Through this program, high school seniors have an opportunity to enhance job skills, develop leadership qualities, explore career options, participate in adult and peer mentoring opportunities, and take advantage of work experiences in private businesses and public agencies. <http://wp.sbcounty.gov/workforce/wp-content/uploads/sites/5/2018/05/final-armc-pilot-career-pathways.pdf>
- **Dr. Elsa E. Macias**, author of *Too Big to Ignore: Latina Microbusiness Owners*, will present key findings and recommendations from the report she prepared for Hispanas Organized for Political Equality (HOPE). With business ownership among Latina entrepreneurs up more than 87% between 2007 and 2013 (most recent data), outpacing all other business ownership groups, understanding their needs is very important. This report developed through a series of focus groups hosted by HOPE as a means to explore how Latinas can be better supported to start, run, and grow a microbusiness. Key challenges, among others, include information gaps about government programs and how to access private capital, competing demands for Latina entrepreneurs, and gender and ethnic/racial discrimination. The report concludes with policy recommendations on how to better support Latina microbusiness owners. **Appendix D – Selection of Hearing Reports** (page ix) includes more information about the report. <https://www.latinas.org/reports>
- **Hari Dhiman**, President, Eastvale Chamber of Commerce, will discuss the *Role of Home Based Businesses in an Inclusive Economy*. Established in 2010, the Eastvale Chamber of Commerce offers a range of services to support local businesses owners, many of whom work from their homes. One recent study found that 69% of businesses were started from home and an estimated 59% of existing

businesses currently operate from home. While some of these businesses are sole proprietors, a growing number also have employees.

- **Matthew Horton**, Associate Director of the Center for Regional Economics and California Center at the Milken Institute, will present research from the Milken Institute on *Seeding Regional Competitiveness and Building Innovation Ecosystems*. Beginning with a brief discussion on the current competitive ranking of the Inland Empire’s innovation capacity among major U.S. metropolitan areas, he will then identify key features of a regional innovation ecosystem life cycle. Mr. Horton will also be sharing practical applications from this work, including projects underway in the Inland Empire.
<https://www.milkeninstitute.org/centers/center-for-regional-economics>

An invaluable portion of the hearing is the opportunity to hear from attendees. A public comment period is scheduled upon the conclusion of the formal presentations. JEDE is also interested in written comments, which may be submitted to the committee on or before October 30, 2019.

A preliminary hearing agenda (current as of publication) is included in **Appendix A – September 25, 2019, Hearing Agenda** (page i), and speaker profiles which were available at the time of publication are provided in **Appendix O – Biographies of Speakers** (page xxi).

Fundamentals of the California Economy

California is home to nearly 40 million people, providing the state with one of the most diverse populations in the world, often comprising the single largest concentration of nationals outside their native country. In 2018, this diverse group of business owners and workers produced \$2.9 trillion in goods and services, with \$178.4 billion in products exported to over 225 countries around the world.

Leader in Patents

California consistently *rank*s *first* in the nation for the number of patents – 45,175 in 2016. Texas, ranking second with 9,934, had less than a quarter of the number of patents filed during the same period, followed by New York with 8,464.

California's economy ranked fifth largest in the world in 2018 – only the national economies of the United States, China, Japan, and Germany being larger. Historically, a number of factors have contributed to California's significant position within the global marketplace, including its strategic west coast location, its economically diverse regional economies, its skilled workforce, and its culture of innovation and entrepreneurship, particularly in the area of technology. California has the largest workforce in the nation, comprised of 19.4 million people who are comparatively younger and more educated than the national average. As an example, over 30% of the working age population in California holds at least a bachelor's degree.

Many policy makers and economists describe California as having not a single economy, but having a highly integrated network of industry clusters that provide access points to other areas of the U.S. and across the world. While biotech has a comparative advantage in some regions, information technology drives growth in others. This economic diversity is one of the reasons California moved so aggressively out of the Great Recession (recession). In the recession, California experienced unemployment above 13%, and in some areas of the state, such as Imperial County, unemployment remained above 20% throughout the duration. Today, California has regained all 1.1 million jobs lost in the recession and has added, since February 2011, over three million jobs.

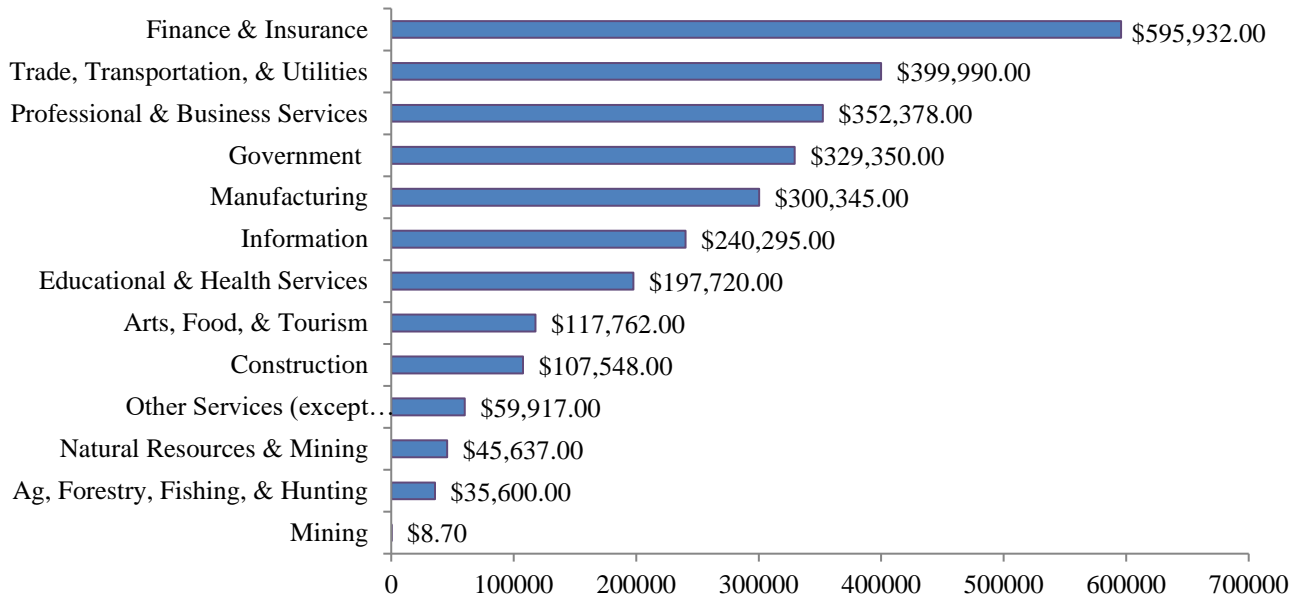
Supporting this economic vitality are global fortune 250 companies with California headquarters, as well as the state's robust small business sector, which employs half of all workers and is comprised of more than 98% of all businesses in the state. *Appendix B – Fast Facts on the California Economy (page iii)* provides additional information on California's current and future business and workforce capacity. Key reports used in the preparation of this section are summarized in *Appendix D – Selection of Related Reports (page ix)*.

Major Industry Sectors

One of the unique qualities of California's economy is its multiple dominant industry sectors. *Chart 1 – California GDP by Industry Sectors*, displays state gross domestic product (GDP) in dollars by industry sector.

The state's three largest industry sectors in terms of GDP – finance and insurance; trade, transportation, and utilities; and professional and business services – also provide a foundation to other industry sectors, including manufacturing and information. Each of these top performing industry sectors are also distinguished as being a tradable industry sector, meaning that it is a sector whose output in terms of goods and services is traded internationally, or could be traded internationally given a plausible variation in relative prices.

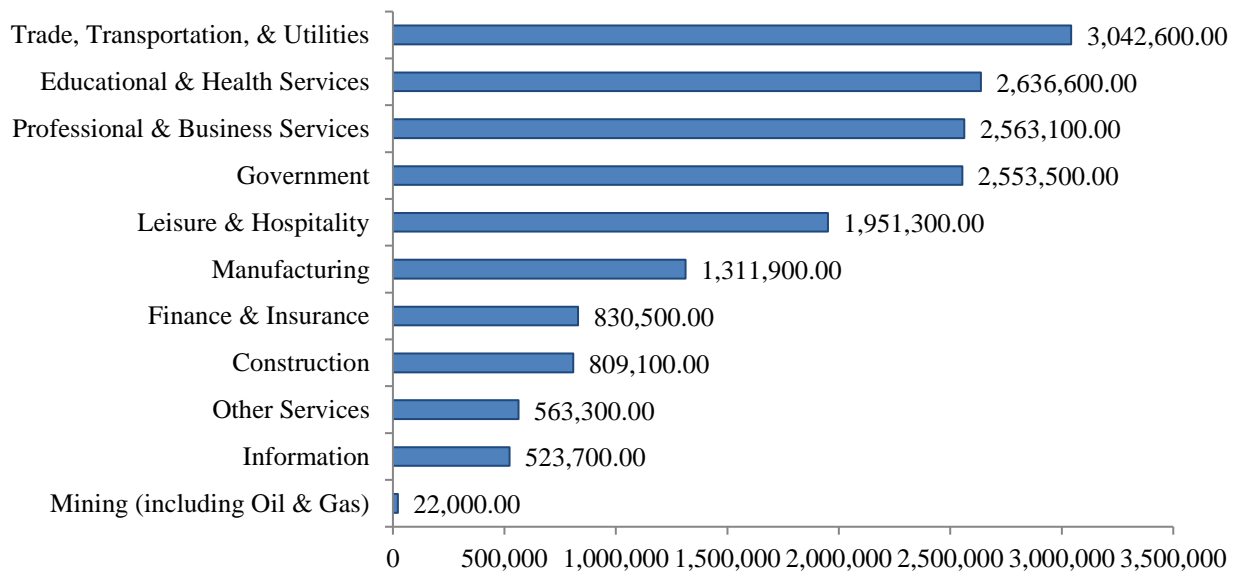
Chart 1 – California GDP by Industry Sectors (2017) (in millions)



Due to its economic impact exceeding its proportional share of the U.S. population, California's economy has been described as "hitting above its weight." As an example, while California's population comprises 12% of the U.S. population, the state contributed 16% of total job growth between 2012 and 2017.

Chart 2 shows employment data within the same industry sectors as are measured in Chart 1. The employment numbers come from the California Employment Development Department.

Chart 2 – California Employment by Industry Sectors (2017)



California's largest industry sector, based on employment, is the trade, transportation, and utilities sector, employing 3.0 million people and representing 15.5% of all California jobs. Jobs in this sector also support

employment in other industry sectors including manufacturing (8.1% of state employment in 2017), professional services (13.1%), and financial activities (4.1%).

Manufacturing is considered the "gold standard" for jobs because of the higher wages paid to workers, the inclusion of small businesses within its extended supply chains, and the high multiplier effect on their local communities and across the state. The Milken Institute estimates that for every job created in manufacturing, 2.5 jobs are created in other sectors. In some industry subsectors, such as electronic computer manufacturing, the multiplier effect is 16 to 1.

While California has the largest manufacturing sector in the nation, the state is often bypassed for new facilities and the expansion of existing facilities. According to the California Manufacturers and Technology Association, California falls into the lower quartile of states, based on its manufacturing job growth following the recession. In comparing new and expanding manufacturing activity (January 2010 to October 2016), California ranked 24th out of 32 major manufacturing states. California received only 2.57% of the job growth, as compared to Michigan (32.49%) that generated the most and New Jersey (-4.78%) that had a net loss of jobs over the 16-year period.

One challenge California faces in growing manufacturing jobs is the state's perceived lack of cost competitiveness and the regulated nature of its business environment. These perceptions impact not only decisions about expansions and relocation from other states, but also reshoring decisions. According to one study, California is receiving only about 1% of reshored manufacturing jobs. In recent years, the Legislature and Administration have adopted and funded new initiatives related to the initial cost of development and expansions, and technical assistance to help businesses navigate the state regulatory and permitting environment.

The current U.S. trade dispute puts further stress on California's manufacturing sector because raw resources, parts, and semi-assembled products make up a sizable component of the state's imports and exports. *Appendix F – How Trade Adds Value to the Economy* (page xxi) provides additional information on California's trade-based economy, including data on the import and export of goods and services.

Job Growth 2016 - 2026

The Employment Development Department (EDD) has forecast that California will add over 2 million nongovernment jobs between 2016 and 2026. *Chart 3 – Projected Job Growth in Employment* displays data on civilian employment for 2016-2026, including new and replacement jobs. By 2026, it is estimated

Chart 3 – Projected Job Growth in Employment 2016-2026 (ranked by number of jobs)							
	Industry Sector	Percent Change	Increase in Jobs		Industry Sector	Percent Change	Increase in Jobs
1	Educational Services, Health Care, and Social Assistance	23.9%	607,400	7	Information	14.6%	76,600
2	Professional and Business Services	11.1%	280,200	8	Other Services (excludes private household services)	10.1%	55,900
3	Leisure and Hospitality	13.3%	252,300	9	Financial Activities	5.2%	42,600
4	Trade, Transportation, and Utilities	6.7%	200,000	10	Total Farm	3.5%	15,000
5	Construction	20.5%	158,600	11	Manufacturing	0.1%	1,300
6	Government	4.6%	116,100	12	Mining	-8.0%	-1,800

that total civilian employment (including self-employment, farm employment, and private household workers) will reach 19.7 million, an increase of 1.9 million jobs (10.7%) over the 10-year projected period of 2016-2026.

A significant portion of this projected growth, however, is dependent on the economic performance of industry sectors which are highly dependent on consumers and supply chains outside of the state. California was the 28th largest exporter in the world and the 13th largest importer in the world in 2018. With 95% of global purchasing power lying outside the U.S., having a globally integrated economy provides California with a comparative advantage. Extended trade disputes, as well as the trade barriers which are the source of those disputes, create impediments to growth and uncertainty for businesses who may be considering expansion and significant new capital investments.

Additional information about the California economy can be found in ***Appendix B - Fast Facts on the California Economy*** (page iii).

The Challenges of Income Inequality

While California's dominance in innovation-based industries is unquestionable, the divide between the middle and lower income households and the top income earners is accelerating. Even as California's unemployment is at historic lows, unemployment within certain geographic regions and population groups remains significantly higher, as does the number of people in the state who are not participating within the core economy.

Chart 4 – Selected Data on Unemployment shows unemployment-related information by selected counties and population groups. In July 2019 (most recent data), California reported a seasonally adjusted unemployment rate of 4.1% as compared to the U.S. rate of 3.7%. From the employment side, this represents 18.6 million people, with over 80% being employed in full time work. Within nonfarm industries, six sectors had month-over increases, including professional and business services (12,900 additional jobs) and educational health services (12,600 additional jobs), and five sectors reporting jobs losses.

In July 2019, four of California's 58 counties had unemployment below 3%, with San Mateo reporting the lowest at 2.3%. The highest unemployment was reported in Imperial (20.7%). Year-over (July 2018-July 2019), 11 counties reported employment increases, 15 counties remained the same, and 32 experienced employment declines from the prior year.

Chart 4 – Selected Data on Unemployment					
	Unemployment Rate July 2019	Unemployment Rate December 2018		Unemployment Rate July 2019 (12-month moving average)	Unemployment Rate December 2018 (12-month moving average)
California	4.1%	4.1%	California	4.1%	4.2%
Colusa County	10.2%	15.7%	Blacks	6.1%	6.5%
Imperial County	20.7%	17.3%	Hispanics	4.9%	5.1%
Los Angeles County	5.0%	4.6%	Whites	4.1%	4.1%
Riverside County	4.8%	4.1%	16 to 19 year olds	15.2%	16.2%
Sacramento County	4.1%	3.7%	20 to 24 year olds	7.4%	7.1%
San Bernardino County	4.5%	3.8%	25 to 34 year olds	4.1%	4.4%
San Luis Obispo County	3.2%	2.8%	*The Employment Development Department reports a July 2019 labor participation rate (LPR) of 62.0%, representing 11.7 million people in California who were not participating in the workforce. The LPR for veterans is 45.1% vs. nonveterans LPR of 65.8%		
San Mateo County	2.3%	2.0%			
Tulare County	10.0%	9.6%			
Source: www.edd.ca.gov					

California is not unique in experiencing these higher levels of income inequality while the state's overall economic growth is very healthy. National data shows similar patterns across the U.S. While the top 1% of income households were significantly impacted by the recession, by 2017 their annual revenues have

recovered and risen to the highest levels ever recorded. Between 1979 and 2017, the income for the top 1% of income households cumulatively rose by 157%.

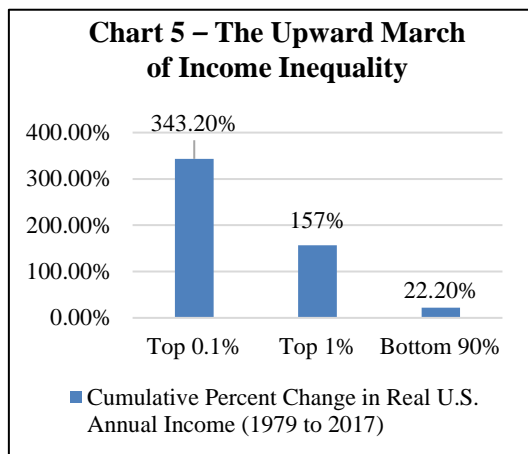


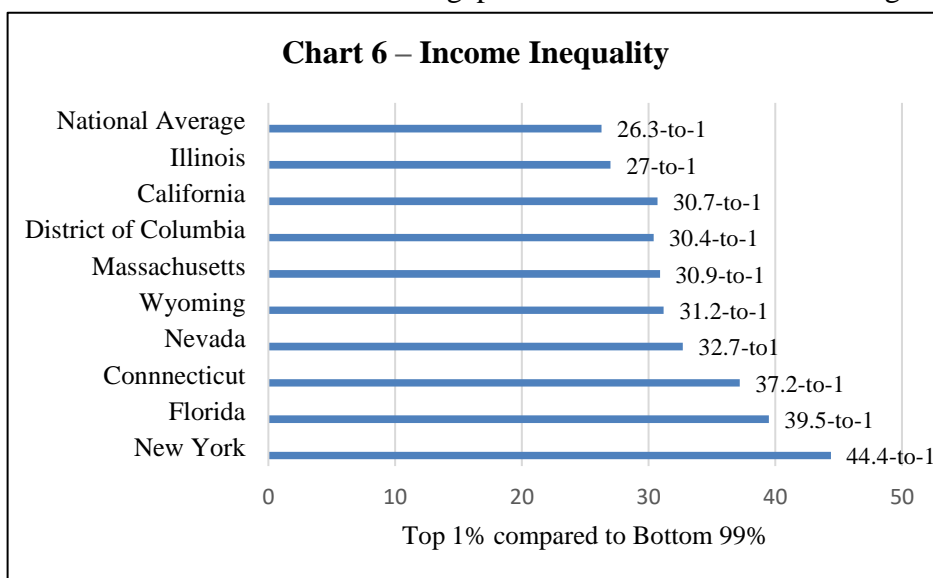
Chart 5 – The Upward March of Income Inequality is based on data from “*Working Economies*,” a blog of the Economic Policy Institute, and shows the significant divergent increases in income between three groups during the period of 1979 through 2017.

For the top 0.1% of income households, earnings had increased by **343.2%**, as compared to the earnings of the bottom 90% of households, which experienced an increase of only **22.2%**.

The Economic Policy Institute also studied income inequality by state and major metropolitan area. Based on 2015 data, every state had a sizable gap between the top 1% and the bottom 99%,

with the national average being a top-to-bottom ratio of 26.3-to-1. In eight states, plus the District of Columbia (30.4-to-1), the top-to-bottom ratio exceeded the national average, including California which received a 30.7-to-1. **Chart 6 – Income Inequality** displays the state data for those states with above national average income inequality. These income discrepancies were also reported by metropolitan areas, where 45 of the 916 major metropolitan areas in the U.S. had income gaps wider than the national average.

In order to qualify as a top 1% household in 2015, family income needed to be above \$421,926. There were 13 states and 107 metro areas in the U.S. with 1% household incomes above the national average, themselves averaging a 1% household income of \$514,694. Further, of all income that accrued to 1% households in 2015, a full 50% accrued to households in five states, including California.



The average annual income in California for a top 1% household was \$1.69 million. The top 1% took home 23.7% of all income in California. By comparison, the average income for the other 99% of households in California was \$55,152. The San Jose-Santa Clara metro area had the most unequal income distribution in the state, with the top 1% making 34.6 times the income of the bottom 99%. Overall, California ranks 7th of all 50 states in income inequality.

Most significantly, this trend of ever increasing concentrations of wealth among the top 1% is a new phenomenon. According to the report “The New Gilded Age” by the Economic Policy Institute, from 1928 to 1973, the share of income held by the top 1% actually declined in every state for which data was available. This is perhaps one of the reasons, many of the existing public policy tools have been ineffective in addressing the rise in income inequality among different regions and groups of individuals. New tools may be needed for new times.

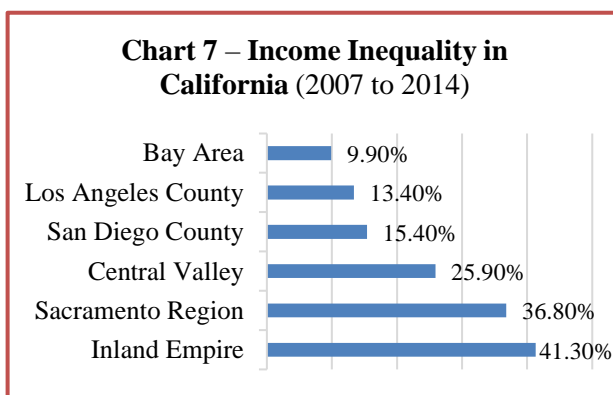
What Happened to the California Dream?

The impact of this expanding income inequality is being felt broadly across our society. The ability to get an education, pursue a career, purchase a home, and live-out old age with some level of economic security is being challenged. While median income remains above \$71,000 a year, 5.1 million people in California have incomes below the federal poverty line, including 18.1% of all children. For too many people, a large medical bill or an unforeseen home repair could result in a downward spiral potentially ending in homelessness.

In 2016, McKinsey & Company issued a study that found that for the first time since WWII – across the top 25 most developed economies in the world – household incomes had actually decreased. Historically, every generation had experienced an increase in income. However, between 2005 and 2014, real incomes were flat or fell for 65% to 70% of households.

The Public Policy Institute of California published data for a similar time span for households in California. **Chart 7 – Income Inequality in California** shows the growing income inequality within six major regions in the state. Between 2007 and 2014, the income gap grew most significantly in the Inland Empire, followed by the Sacramento Region.

In addressing income inequality and creating inclusive economic growth, the Legislature undertook a range of actions. Some actions focused on the needs of California's lowest income residents, while others addressed the loss of the middle class. Among other issues, Governor Newsom and the Legislature held extended discussions on how the state should address 2017 federal tax changes authorizing the special tax treatment of capital gains deposited in a qualified Opportunity Fund, when those moneys were subsequently used to make qualified investments in lower income census tracts designated by the federal government as an Opportunity Zone. **Appendix G – New Community Investment Tool: Opportunity Zones** (page xxiii) describes the tax benefit and policy discussions related to the deployment of those moneys in California.



Appendix C – Selection of Related Legislation (page v) provides a list and summary of proposed and enacted legislation from recent legislative sessions. **Appendix E – Selection of Related 2019-20 Budget Actions** (xvii) includes funding highlights relating to inclusive growth, upward mobility, as well as specific Inland Empire budget appropriations.

Closer Look at the Inland Empire Regional Economy

Regions are playing an increasingly important role in the strength of California's economy. Partially due to its size and the diversity of its geography and demographics, California domestic and global competitiveness is tied to the health of its regions. State and federal policies and programs are reflecting this new economic reality by providing region-level funding, conducting data analysis at the metropolitan statistical area (MSA or metro area), and often requiring applicants demonstrate a history of regional collaboration that includes private and public partners.

This section provides a brief overview of the Inland Empire, including data on its population, workforce, and key industry sectors.

An Overview of the Inland Empire

The Inland Empire is the metropolitan region located directly east of Los Angeles. Much of what is generally considered the Inland Empire is contained within the Riverside-San Bernardino-Ontario MSA, which includes substantial portions of Riverside and San Bernardino Counties.

As with many regions, there are varying definitions of which areas are included. The most narrow definition only includes the Riverside-San Bernardino-Ontario MSA, and the broadest definition includes all areas of the two counties, including the rural areas and more urban areas of the Coachella Valley. In this report, a majority of the data is drawn at the MSA level. Where possible, county level information is also provided in order to apply the broadest definition of the Inland Empire.

It has been suggested that the term "Inland Empire" was first coined by developers in order to promote the region and highlight the area's unique features and convenient location just 60 miles "inland" from Los Angeles and the Pacific Ocean. Another story suggests that the region was originally called the "Orange Empire," reflective of the citrus groves that extended from Pasadena to Redlands in the early 20th Century. The name was then said to have changed to the "Inland Empire" when the regional economy shifted. Regardless of its origin, references to the "Inland Empire" can be found in local newspapers like the *Riverside-Enterprise* as far back as 1914.



Today, the Inland Empire is the 13th largest metropolitan area in the U.S. and home to more than four million people, with approximately 2.4 million in Riverside County and 2.2 million located in San Bernardino County. Since the 1970s, the region has experienced significant growth, mostly driven by the challenging search for affordable housing in Southern California. Between 1990 and 2000, the population of Riverside and San Bernardino Counties increased by 700,000 (26%). In the following eight years (2000 through 2008) the Inland Empire's population expanded by another 861,000 or 26.5%. **Chart 8 – Ten Largest Cities in the Inland Empire**, on the following page, shows the population of the two counties and the 10 largest cities in the Inland Empire. **Appendix K – Population Rankings of Inland Empire**

Communities (page xxxix) includes a list of cities in the Inland Empire, including populations and their ranks among all of the cities in California.

Chart 8 – Ten Largest Cities in the Inland Empire (by population)		
	Population 2010	Estimated Population 2018
Riverside County	2,189,641	2,440,124
San Bernardino County	2,035,210	2,192,203
Cities		
Riverside	303,871	328,101
San Bernardino	209,952	219,233
Fontana	196,069	212,078
Moreno Valley	193,365	208,297
Rancho Cucamonga	165,350	179,412
Ontario	163,924	178,268
Corona	152,374	168,101
Victorville	115,921	126,543
Murrieta	103,422	118,125
Temecula	100,746	113,826
<i>Source: Department of Finance, accessed September 19, 2019</i>		

Chart 9 – Riverside and San Bernardino Counties Demographics: Population, Median Age, and Race and Ethnicity provides more data about the people who live in the Inland Empire.

Chart 9 - Riverside and San Bernardino Counties Demographics: Population, Median Age, and Race and Ethnicity								
	Total Population	Median age (years)	Percent Hispanic or Latino	Percent White	Percent Black	Native American and Alaskan Native	Percent Asian	Percent Pacific Islander
Geography	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
California	38,982,847	36.1	38.8	37.9	5.5	0.4	13.9	0.4
Riverside County	2,355,002	35.0	48.0	36.6	6.0	0.4	6.1	0.3
Banning city	30,824	40.0	41.9	38.8	9.0	2.3	5.9	0.0
Beaumont city	43,641	35.0	42.6	40.0	6.5	0.3	8.0	0.3
Blythe city	19,486	37.4	55.9	26.8	12.6	0.1	2.0	0.3
Calimesa city	8,517	49.4	24.9	69.7	1.2	0.5	1.9	0.0
Canyon Lake city	11,043	44.3	13.3	80.7	0.8	0.0	2.9	0.1
Cathedral City city	53,733	37.3	59.4	31.3	2.8	0.3	4.5	0.1
Coachella city	44,382	30.8	97.6	1.8	0.4	0.1	0.0	0.0
Corona city	163,585	34.7	43.7	36.5	5.0	0.1	11.4	0.4
Desert Hot Springs city	28,298	34.3	55.7	31.8	6.8	0.3	2.4	0.3
Eastvale city	59,733	33.2	41.2	19.3	7.9	0.3	26.4	0.1
Hemet city	83,604	38.3	42.7	42.9	7.7	0.6	3.0	0.3
Indian Wells city	5,267	67.8	3.6	90.0	1.0	0.0	4.2	0.0
Indio city	86,867	36.4	67.5	26.4	2.4	0.2	2.4	0.1
Jurupa Valley city	102,202	31.7	69.6	22.9	3.0	0.3	2.6	0.2
Lake Elsinore city	62,229	30.3	52.1	33.2	4.5	0.2	5.4	0.0

La Quinta city	40,305	46.4	34.2	58.1	2.0	0.0	3.3	0.0
Menifee city	86,820	37.9	35.8	48.7	6.3	0.3	5.5	0.2
Moreno Valley city	203,691	30.3	57.9	16.5	16.8	0.3	6.1	0.5
Murrieta city	110,043	33.7	28.7	49.7	5.9	0.3	9.0	0.5
Norco city	26,711	39.6	33.1	56.1	3.9	0.2	3.7	0.1
Palm Desert city	51,675	52.4	25.9	65.2	1.6	0.1	4.6	0.1
Palm Springs city	47,140	54.1	26.7	61.3	4.6	0.6	4.5	0.2
Perris city	75,011	27.3	75.1	10.3	9.6	0.1	3.5	0.0
Rancho Mirage city	17,975	65.9	10.3	81.9	2.5	0.5	3.0	0.1
Riverside city	321,570	31.3	52.8	31.1	5.7	0.3	7.1	0.3
Romoland CDP	2,081	25.4	71.5	28.5	0.0	0.0	0.0	0.0
San Jacinto city	46,932	32.5	54.6	31.7	6.1	0.7	3.5	0.2
Temecula city	110,722	34.9	27.6	53.6	4.7	0.4	8.9	0.3
Wildomar city	35,492	34.7	40.0	48.0	4.2	0.5	4.0	0.5
San Bernardino County	2,121,220	32.9	52.3	29.8	8.0	0.3	6.7	0.3
Adelanto city	32,867	27.5	62.3	13.7	20.3	0.0	1.4	0.3
Apple Valley town	71,916	37.2	35.1	51.4	7.7	0.2	3.0	0.0
Barstow city	23,609	30.0	45.3	28.5	15.7	1.5	3.3	1.1
Big Bear Lake city	5,190	42.8	27.0	67.1	1.2	1.1	1.1	2.2
Chino city	85,609	36.6	52.4	24.8	5.7	0.2	12.2	0.5
Chino Hills city	78,025	38.0	28.8	30.1	4.5	0.2	33.3	0.0
Colton city	54,200	30.4	68.9	17.2	7.5	0.4	4.5	0.2
Fontana city	207,086	30.6	68.3	14.2	8.3	0.1	6.1	0.5
Grand Terrace city	12,439	37.8	49.0	37.6	4.3	0.0	6.7	0.0
Hesperia city	93,190	30.4	56.6	34.8	4.6	0.9	1.6	0.1
Highland city	54,704	32.4	51.5	27.6	8.1	0.4	9.0	1.0
Loma Linda city	23,961	34.8	25.4	33.9	11.9	0.2	25.4	0.7
Montclair city	38,613	32.7	70.3	14.4	2.8	0.2	9.9	0.5
Needles city	4,984	41.5	24.7	60.3	1.8	7.7	1.5	0.0
Ontario city	171,041	32.0	70.0	16.1	5.7	0.2	5.7	0.3
Phelan CDP	15,123	39.6	34.2	56.6	4.7	0.1	3.0	1.0
Rancho Cucamonga city	174,573	35.5	37.5	37.6	8.8	0.4	12.8	0.2
Redlands city	70,765	35.0	32.2	49.3	7.1	0.3	7.6	0.4
Rialto city	102,708	30.0	73.0	10.8	11.8	0.1	2.3	0.1
San Bernardino city	215,252	29.4	64.3	15.3	13.2	0.2	4.2	0.2
Twentynine Palms city	25,995	24.1	22.3	55.4	9.3	1.4	3.5	0.8
Upland city	76,155	38.5	41.7	41.0	5.3	0.1	8.8	0.1
Victorville city	121,721	29.6	55.3	22.1	15.2	0.2	3.7	0.2
Yucaipa city	53,151	37.3	34.1	60.0	1.1	0.1	2.6	0.2
Yucca Valley town	21,483	42.4	18.8	67.4	6.2	1.3	1.4	0.1
Source: 2013-2017 American Community Survey (5-year estimates)								

The Inland Empire Worker's Commute

Given the dramatic growth of the past several decades, it is not surprising that a significant number of residents of the Inland Empire commute across county lines for work. **Chart 10 – County-to-County Commute Patterns** shows the number of workers commuting within the region and between surrounding counties. Of course, commuters rely on public roads and highways, which creates bottlenecks at certain intersections as commuters and truckers overwhelm the capacity of the freeways.

As a region that markets itself as a logistical hub, maintaining an acceptable flow of traffic is an important consideration. Diversifying the economic base and improving internal and external transportation linkages have been identified as important regional priorities. Studying commuting patterns also helps to identify skilled workforce pools, key infrastructure needs, and new economic development partners.

Chart 10 – County-to-County Commute Patterns		
County of Residence	County of Work	Number of Workers Annually
Imperial County	Riverside County	1,231
Imperial County	San Bernardino County	101
Los Angeles County	Riverside County	15,228
Los Angeles County	San Bernardino County	57,390
Orange County	Riverside County	15,242
Orange County	San Bernardino County	12,106
Riverside County	Los Angeles County	50,901
Riverside County	Orange County	67,180
Riverside County	Riverside County	586,265
Riverside County	San Bernardino County	89,709
Riverside County	San Diego County	38,830
San Bernardino County	Imperial County	102
San Bernardino County	Los Angeles County	126,642
San Bernardino County	Orange County	34,997
San Bernardino County	Riverside County	65,136
San Bernardino County	San Bernardino County	570,048
San Bernardino County	San Diego County	2,062

Source: American Community Survey based on data collection from 2006-2010

Preparing a Workforce to Meet Regional Needs

The Inland Empire's labor force includes approximately 2 million workers, or just greater 10.6% of the state workforce. Resident per capita income in the two counties ranked below California's per capita rate of 41,363 (U.S. \$33,128), 22,867 in San Bernardino and \$25,700 in Riverside. In July 2019, 56,500 residents were unemployed. Specific workforce numbers by county are included in **Chart 11 – August 2019 Labor Force**.

Chart 11 – August 2019 Labor Force (Not Seasonally Adjusted)						
Area	Year	Period	Labor Force	No. of Employed	Unemployment	Unemployment Rate %
California	2019	Aug	19,387,000	18,583,000	804,000	4.1%
Riverside County	2019	Aug	1,093,400	1,041,200	52,200	4.8%
San Bernardino County	2019	Aug	962,700	919,700	43,000	4.5%

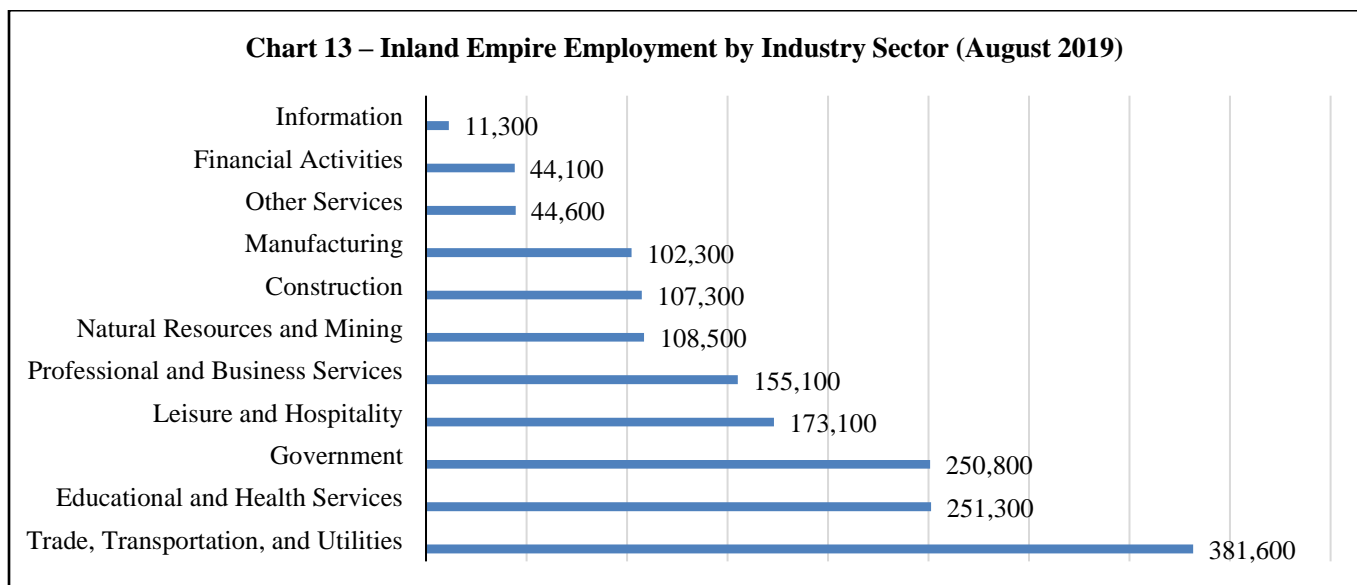
Source: Labor Market Information, EDD September 2019

In **Chart 12 – Employment in the Inland Empire MSA**, employment is broken down further to show the number of people employed, those employed in service- and goods producing-related industries, and total number of workers in the private sector. As reflected in the chart, jobs in the service-related sectors are a significant source of employment for the Inland Empire.

Chart 12 – Employment in the Inland Empire MSA July 2019 (Not Seasonally Adjusted)		
Industry	California No. of Employed	Riverside-San Bernardino-Ontario MSA No. of Employed (% of the state)
Total Wage and Salary	15,038,200	1,537,900 (10.2%)
Total Nonfarm	14,591,200	1,522,700 (10.4%)
Good Producing	2,289,500	210,800 (9.2%)
Service Providing	12,651,900	1,311,900 (10.3%)
Total Private	12,346,400	1,271,900 (10.3%)

Source: Labor Market Information, EDD September 2019

Chart 13 – Inland Empire Employment by Industry Sector displays employment data for 10 major industry sectors, plus the government sector, in the Inland Empire MSA. The largest industry sector by employment are Trade, Transportation, and Utilities, followed by Educational and Health Services. Also noteworthy, is that the growth in the Information and Construction sectors are significantly lower than the state average.



According to Inland Empire stakeholders, workforce is one of the region's primary economic competitiveness challenges. **Chart 14 – Educational Attainment in Riverside and San Bernardino Counties**, on the following page, displays median income for households in each of the Inland Empire communities and breaks out educational attainment for individuals over 25.

Chart 14 - Educational Attainment in Riverside and San Bernardino Counties <i>(most current data)</i>						
	Median Household Income	Percent Less than 9th Grade Education	Percent High School Graduate	Percent Some College	Percent Associate Degree	Percent Bachelor Degree or Higher
Geography	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
California	\$67,169	9.7	20.6	21.5	7.8	32.6
Riverside County	\$60,807	6.7	26.4	25.2	8.0	21.5
Banning city	\$39,700	8.9	31.1	24.8	8.5	15.4
Beaumont city	\$71,664	4.8	25.6	26.4	10.0	25.1
Blythe city	\$39,840	11.3	30.5	26.8	5.7	7.8
Calimesa city	\$50,174	4.2	30.9	27.0	11.7	18.7
Canyon Lake city	\$89,446	1.0	30.2	26.6	10.0	27.2
Cathedral City city	\$43,384	10.3	29.4	22.7	6.4	18.6
Coachella city	\$34,300	29.5	34.1	15.4	2.3	3.9
Corona city	\$73,594	6.5	24.6	24.7	8.9	26.6
Desert Hot Springs city	\$34,251	13.1	32.0	21.0	5.7	12.1
Eastvale city	\$110,685	5.5	20.0	22.2	10.5	35.6
Hemet city	\$37,171	8.2	31.0	29.3	8.1	11.9
Indian Wells city	\$103,516	0.9	12.9	21.0	4.0	58.0
Indio city	\$49,951	12.3	31.5	21.7	6.1	16.6
Jurupa Valley city	\$63,286	16.5	29.4	23.2	6.2	11.8
Lake Elsinore city	\$66,032	9.7	26.6	29.3	7.6	17.3
La Quinta city	\$76,131	4.0	20.2	27.1	7.7	34.7
Menifee city	\$60,808	5.6	27.0	31.0	9.7	19.0
Moreno Valley city	\$59,827	12.1	28.3	24.3	8.3	14.9
Murrieta city	\$80,373	3.3	22.4	29.8	9.5	30.0
Norco city	\$91,915	5.4	27.5	30.0	8.6	17.6
Palm Desert city	\$56,262	3.1	21.1	28.0	7.3	35.9
Palm Springs city	\$48,126	5.2	20.1	24.7	7.9	36.3
Perris city	\$54,657	18.7	29.1	21.0	6.6	9.2
Rancho Mirage city	\$64,754	1.0	18.5	28.3	6.7	42.7
Riverside city	\$62,460	10.2	25.7	23.9	7.4	22.4
Romoland CDP	\$41,500	17.3	30.6	21.4	2.1	8.0
San Jacinto city	\$48,025	12.5	27.5	23.9	9.0	13.9
Temecula city	\$87,115	3.2	20.6	29.6	10.2	32.1
Wildomar city	\$67,510	7.0	29.4	30.4	8.0	17.0
San Bernardino County	\$57,156	9.3	26.2	25.0	8.2	19.8
Adelanto city	\$34,446	14.5	26.0	27.0	6.2	5.2
Apple Valley town	\$50,907	3.4	30.7	28.6	10.5	16.6
Barstow city	\$36,606	7.4	32.8	24.1	9.9	11.7
Big Bear Lake city	\$49,519	3.7	23.5	28.2	14.7	23.1
Chino city	\$75,530	9.0	23.2	26.3	7.4	19.9

Chino Hills city	\$102,746	3.6	16.7	22.3	9.6	44.7
Colton city	\$47,256	9.6	28.5	23.1	7.5	14.9
Fontana city	\$68,304	13.9	27.8	23.3	6.3	16.8
Grand Terrace city	\$65,422	4.2	28.1	26.9	8.6	26.4
Hesperia city	\$49,726	10.2	33.3	25.2	7.9	10.0
Highland city	\$55,130	10.6	23.4	25.5	8.2	20.3
Loma Linda city	\$52,310	3.6	18.1	16.5	7.2	47.9
Montclair city	\$54,192	14.8	28.0	21.0	7.1	14.5
Needles city	\$34,673	5.8	36.1	30.6	5.5	10.9
Ontario city	\$57,544	14.8	26.9	22.9	7.2	15.6
Phelan CDP	\$54,761	6.2	35.1	25.5	10.1	8.9
Rancho Cucamonga city	\$83,736	3.3	20.2	26.5	10.9	33.8
Redlands city	\$68,956	3.8	19.5	22.8	9.1	38.2
Rialto city	\$54,962	15.8	29.8	21.8	6.2	11.2
San Bernardino city	\$41,027	14.0	27.8	22.3	6.0	11.4
Twentynine Palms city	\$41,509	1.9	26.6	32.1	8.9	20.5
Upland city	\$65,349	3.8	22.4	26.2	9.7	31.6
Victorville city	\$47,895	8.5	29.2	28.4	9.4	12.3
Yucaipa city	\$58,166	4.1	27.6	27.0	11.1	22.0
Yucca Valley town	\$44,428	3.2	28.4	34.3	9.6	15.8
Source: 2013-2017 American Community Survey (5-Year estimates)						

With many of the jobs in emerging and dominant industry sectors requiring some form of additional education or training, whether it be a specialized certificate or an advanced degree, the future of the Inland Empire rests with its ability to empower its workforce with the skills and knowledge to remain competitive in the 4th Industrial Revolution.

Hearing presentations will supplement the information provided in this section and offer additional insights on the challenges and opportunities facing the Inland Empire in supporting upward mobility for its residents and businesses. *Appendix N—Sample of Inland Empire Initiatives (page xlv)* provides a list of initiatives designed to support the creation of a more inclusive economy, including initiatives related to expanding middle-skill jobs, expanding high tech business opportunities, strengthening the nonprofit sector, and addressing “historically ignored and disenfranchised communities.”

Framing the Lines of Inquiry

While California is currently ranked as having the 5th largest economy in the world, there are certain areas of the state for which economic security remains out of reach. Addressing the systemic and complex challenges faced by these neighborhoods requires deep economic and community development work over a sustained period-of-time. Without strengthening community development capacity at local and regional levels, reinvestment opportunities could bypass historically underserved areas.

Supporting upward mobility of individuals within these neighborhoods is equally challenging, as many residents are limited in their skill development and economic opportunities mostly lie in areas outside their immediate community. Among other questions, the Members may want to consider the following:

1. How can inclusive and sustainable development principles be used to enhance the competitiveness of businesses and the resiliency of local communities?
2. Does California have the strategies and a willingness to address the current misalignment of policies, programs, and institutions that represent the state's workforce and education systems?
3. How can the Inland Empire best leverage the advantages offered by California's diverse populations?
4. How can the Inland Empire support local and regional efforts to catalyze private investment and business development, especially in historically underserved and emerging areas?
5. What actions can the state take to facilitate more inclusive growth and reduce defacto barriers to community economic development?
6. How can e-commerce platforms, technical assistance, and modifications of regulatory requirements support entrepreneurship and innovation within the Inland Empire?

Materials in the Appendices

In addition to these sections, the report includes a number of appendices that are designed to be useful references and ultimately lead to a more comprehensive analysis and policy engagement by the JEEDE Committee. Materials in the appendices include:

- Appendix A – *Agenda for the September 25, 2019 Hearing*
- Appendix B – *Fast Facts on the California Economy*
- Appendix C – *Selection of Related Legislation*
- Appendix D – *Selection of Related News Articles and Reports*
- Appendix E – *Selection of Related 2019-20 Budget Items*
- Appendix F – *How Trade Adds Value to the Economy*
- Appendix G – *New Community Investment Tool: Opportunity Zones*
- Appendix H – *PowerPoint for “Seeding Regional Competitiveness and Building Innovation”*
- Appendix I – *Handout for “Regions Rise Together”*
- Appendix J – *Flyer for 2019 California Economic Summit*

- Appendix K – *Population Rankings of Inland Empire Communities*
- Appendix L – *The Role of Small Business within the Economy*
- Appendix M – *State of Immigrants in the Inland Empire*
- Appendix N – *Sample of Inland Empire Initiatives*
- Appendix O – *Biographies of Speakers*

To Provide Public Comments

A public comment period will follow the formal presentations. Individuals and representatives from organizations and businesses are encouraged to sign-up and add their voices to this important dialogue. Written comments may also be submitted to the JEDE Committee offices until October 30, 2019.

Committee Contact Information

The Assembly Committee on Jobs, Economic Development, and the Economy is the standing committee of the California State Legislature responsible for overseeing issues related to business formation, foreign trade and investment, industrial innovation and research, and state and local economic development activities. The Committee Office is located in the Legislative Office Building at 1020 N Street, Room 359. The phone number for the Committee is 916.319.2090.

APPENDICES

Appendix A

Upward Mobility in the Inland Empire

Hearing Agenda for September 25, 2019

California's \$2.9 trillion economy consistently ranks the state within the top five economies in the world. The benefits of this prosperity have not, however, been evenly experienced throughout the state. Some California regions are experiencing the impacts of historic and systemic underinvestment, including lagging economic growth, low educational attainment, and limited opportunities for individuals to improve the quality of their lives.

This is the committee's third hearing in 2019 examining how the public and private sectors can support upward mobility and economic opportunity for all Californians. Prior hearings focused on how existing state programs and initiatives were being adapted to meet regional and local economic and business development needs. This hearing will highlight regional initiatives in the Inland Empire by presenting best practices, innovative solutions, and reinvigorated regional visions.

I. Welcome, Introductions, and Opening Statements

Chair and members of the JEDE Committee will give opening statements and frame the key issues to be examined during the hearing.

II. Remarks from the Center for Social Innovation at the University of California, Riverside

Dr. Karthick Ramakrishnan, Chair of the Center for Social Innovation, will present research from both the Center's State of the Inland Empire series and its recent collaboration with the Metropolitan Policy Program at the Brookings Institute on "Advancing Opportunity in California's Inland Empire." Using this research as a basis, **Dr. Ramakrishnan** will brief the committee on the activities of Inland California Rising. The Inland California Rising initiative, launched in February 2019, is designed to catalyze leaders from the philanthropic, business, non-profit, and public sectors who are united in their "desire to turbo-charge progress for Inland California" while contributing to the overall benefit of the state.

III. Regions Rise Together

Amber Bolden, Senior Project Manager, California Forward, will present a new initiative, "Regions Rise Together." Sponsored by the Governor's Office of Business and Economic Development with support from California Forward, the initiative is designed to bring together diverse leaders in every region of the state in order to develop an inclusive and comprehensive plan that will lift every part of California.

IV. Innovations in Upward Mobility

Presenters will highlight innovative programs and new initiatives that are supporting upward mobility and economic prosperity in the Inland Empire. Presentations include:

- Case Study on "GenerationGo!," presented by **Molly Wiltshire** with the San Bernardino County Workforce Development Board
- "Too Big to Ignore: Latina Microbusiness Owners," presented by **Dr. Elsa E. Macias**, author of the report published by Hispanas Organized for Political Equality
- "Role of Home Based Businesses in an Inclusive Economy" presented by **Hari Dhiman** with the Eastvale Chamber of Commerce (invited)
- "Seeding Regional Competitiveness and Building Innovation," presented by **Matthew Horton** with the Center for Regional Economics & California Center, Milken Institute

V. Public Comment

Anyone interested in addressing the Committee may sign-up to speak during the public comment period. A sign-up sheet is located at the back of the hearing room. Written comments may also be submitted.

VI. Closing Remarks

Assembly Members will make closing remarks.

Appendix B

Fast Facts on the California Economy

California Gross Domestic Product (GDP)

- California's economy in 2018 ranks as the fifth largest in the world – larger than the UK, India, France, Brazil, Italy, Canada, Korea, and Russia.ⁱ
- Value added to 2018 GDP by private sector: finance, insurance, real estate, rental, and leasing (20.7% of state GDP); trade, transportation, and utilities (16.3%); professional and business services (12.6%); manufacturing (11.4%); educational and health services (8.7%); information (5.5%); tourism and arts (4.1%); construction (4.1%); mining, agriculture, and forestry (2.4%); and other services (2.1%).ⁱⁱⁱ

Comparison of 2018 GDPs			
Country	GDP	Country	GDP
United States	\$20.4 trillion	Italy	\$2.0 trillion
China	\$13.4 trillion	Brazil	\$1.8 trillion
Japan	\$4.9 trillion	Canada	\$1.7 trillion
Germany	\$4.0 trillion	Russia	\$1.6 trillion
California*	\$2.9 trillion	Korea	\$1.6 trillion
United Kingdom	\$2.8 trillion	Spain	\$1.4 trillion
France	\$2.7 trillion	Australia	\$1.4 trillion
India	\$2.7 trillion		
Source: Department of Finance ⁱⁱ			

Firms, Employment, and Wages

- There were 3,206,958 firms in California that had no employees in 2015, representing 82% of all firms in California (3,906,497 in total). Of firms which have employees (699,539 in total), 49.9% had 1 to 4 employees, 78.0% had less than 20 employees, 87.0% had less than 100 employees, and 89.0% had less than 500 employees (federal small business definition). Approximately 6,115 firms in California had 500 employees or more.^{iv}
- There were 19.4 million workers in the California labor force in July 2019 with 18.6 million individuals employed, a month-over decrease of 5,000 jobs (0.0%). This represents a 139,000 (0.7%) increase in employment over the prior 12-month period.^v
- Nonfarm employment rose in all industry sectors between July 2018 and July 2019, including: construction (4.3% year over increase); professional and business services (3.0%); education and health services (3%); information (2.8%); leisure and hospitality (2.1%); government (1.4%); manufacturing (1.0%); mining and logging (0.9%); financial activities (0.4%); other services sector (0.3%); and trade, transportation, and utilities (0.1%).^{vi}
- California exported \$178.4 billion in goods in 2018 to over 225 foreign markets, representing 10.7% (\$1.6 trillion) of total U.S. exports and rendering the state the 28th largest exporter in the world.^{vii viii ix} California's largest export market in 2018 was Mexico (\$30.7 billion), followed by China and Hong Kong (\$26.2 billion), and Canada (\$17.7 billion).^x California imported \$441.0 billion in products from other countries, accounting for 17.3% of total U.S. imports in 2018. China (\$161.2 billion) and Mexico (\$44.0 billion) are the state's largest import markets.^{xi}
- California median household income was \$67,169 (\$63,179 for U.S.)^{xii} with 13.3% of individuals in the state (11.8% for U.S.) living on incomes at or below the federal poverty designation.^{xiii} According to the California Poverty Measure, which accounts for the cost of living and a range of family needs and resources, 17.8% of Californians, including nearly 20% of children, lacked sufficient resources to meet basic needs in 2017—about \$32,500 per year for a family of four.^{xiv}

Future California Job Market

- The Employment Development Department is responsible for assessing future employment needs based on regional industry clusters. By 2026, it is estimated that total civilian employment (including self-employment, farm employment, and private household workers) will reach 19.7 million, an increase of 1.9 million jobs (10.7%) over the 10-year projected period of 2016-2026. The chart on the next page displays projected growth in civilian employment for 2016-2026, including new and replacement jobs.^{xv}

Projected Job Growth in Employment 2016-2026 (ranked by number of jobs)							
	Industry Sector	Percent Change	Increase in Jobs		Industry Sector	Percent Change	Increase in Jobs
1	Educational Services, Health Care, and Social Assistance	23.9%	607,400	7	Information	14.6%	76,600
2	Professional and Business Services	11.1%	280,200	8	Other Services (excludes private household services)	10.1%	55,900
3	Leisure and Hospitality	13.3%	252,300	9	Financial Activities	5.2%	42,600
4	Trade, Transportation, and Utilities	6.7%	200,000	10	Total Farm	3.5%	15,000
5	Construction	20.5%	158,600	11	Manufacturing	0.1%	1,300
6	Government	4.6%	116,100	12	Mining and Logging	-8.0%	-1,800

July 2019 Unemployment

- In July 2019, the California seasonally adjusted unemployment rate was 4.1%, which represents a decrease of 1.2% (10,000 workers) from the prior month. This unemployment rate represents approximately 804,000 unemployed workers reflecting a labor force participation rate of 62.0%.^{xvi} Over the same period, the comparable national unemployment rate was 3.7%.^{xvii}
- For July 2019, the counties with the highest not seasonally adjusted unemployment were Imperial (20.7%), Colusa (10.2%), and Tulare (10.0%). Four out of California's 58 counties had unemployment rates below 3%, including: San Mateo (2.3%), San Francisco (2.4%), Marin (2.5%), and Santa Clara (2.8%). The comparable not seasonally adjusted state unemployment rate was 4.4%.^{xviii}
- The highest not seasonally adjusted unemployment rates by race and ethnicity were among individuals identified as black (6.1%), Hispanic (4.9%), and white (4.1%) in July 2019. The comparable state non-seasonally adjusted 12-month moving average unemployment rate was 4.1%.^{xix}
- Most Californians, 82.2%, generally worked full time. There were 707,000 persons in California who worked part time involuntarily in July 2019, comprising 3.8% of all employed workers during the survey week.^{xx} California's labor participation rate was 62.0% in July 2019, meaning over 11.7 million people were not participating in the labor force. Individuals not in the labor force have increased by 40,000 from July 2018.^{xxi}
- By age group, the highest unemployment group in July 2019 was among workers 16 to 19 years of age (15.2%).^{xxii} The largest group of unemployed persons, when sorted by duration, were individuals unemployed for less than five weeks, which represented 257,000 persons or 31.9% of those unemployed. These are not seasonally adjusted rates.^{xxiii}

Prepared by: Assembly Committee on Jobs, Economic Development, and the Economy
Assemblymember Sabrina Cervantes, Chair

Appendix C

Selection of Related Legislation

This appendix includes summaries of legislation related to the informational hearing on upward mobility, including, but not limited to, legislation targeted to the Inland Empire.

- 1) ***AB 316 (Waldron, Salas) Workforce Development for Targeted Populations:*** This bill would have appropriated \$200 million for the purpose of implementing the Employment Revitalization Initiative through the California Workforce Development Board (CWDB), \$100 million for performance-based contracts awarded through the Employment Training Panel (ETP), and \$10 million for specified Workforce Accelerator Grants. In expending these funds, the bill would have expanded ETP contracts for training middle-skill workers in priority industry sectors and established a new CWDB grant program to assist individuals who face multiple employment barriers to receive remedial education and work readiness skills that ultimately lead to their successful participation in middle-skill training programs. Status: Died in the Assembly Committee on Appropriations, 2018.
- 2) ***AB 358 (Greyson) Regional Economic Development Areas:*** This bill would have enacted the Regional Economic Development Area Act for the purpose of certifying regional economic development areas that include, but are not limited to, active and inactive military bases. Status: Died without action in the Assembly Committee on Jobs, Economic Development, and the Economy, 2018.
- 3) ***AB 416 (Arambula, Mathis, R. Rivas) Agriculture and Rural Prosperity Act:*** This bill creates the Agriculture and Rural Prosperity Act. This bill authorizes the secretary of the California Department of Food and Agriculture (CDFA) to consult with other stakeholders to identify opportunities to further rural agricultural economies. This bill also requires CDFA to create a position within the department's executive office to assist the secretary with the Act and establishes the Rural Economic Development Account to carry out the provisions of the Act. Status: Pending on the Governor's Desk.
- 4) ***AB 755 (Eduardo Garcia) Local Agencies: Capital Investment Incentive Program:*** This bill extends the authorization for cities and counties to establish a Capital Investment Incentive Program from January 1, 2018, to January 1, 2019. Existing law authorized a local government to offer a partial property tax abatement incentive for qualified manufacturing facilities for assessed property taxes. In order to qualify for the partial tax abatement, the manufacturer is required to have made an investment of at least \$150 million. The incentive may only be offered after the proponent and the local government agree to a "Community Services Agreement" that requires the proponent to meet certain criteria, such as job creation numbers, wages paid at least to the state average weekly wage, and local fees. Should the manufacturer fail to meet these requirements, the local government is entitled to repayment of any amounts paid. Status: Signed by the Governor, Chapter 709, Statutes of 2017.
- 5) ***AB 791 (Gabriel) Housing in Opportunity Zones:*** This bill would have authorized additional Low Income Housing Tax Credits and allowed transferability of those credits under certain specific conditions when those housing units are located within Opportunity Zones. Status: Held in the Assembly Committee on Appropriations, 2019.
- 6) ***AB 809 (Quirk-Silva) Priority Enrollment for Veterans:*** In instances where registration uses multiple criteria, this bill, as it passed the Assembly, required that the priority registration for enrollment of members and former members of the Armed Forces of the United States and of members and former

members of the State Military Reserve be applied. Status: Priority registration was included in the 2018-19 State Budget and the vehicle was amended to serve another purpose.

- 7) ***AB 863 (Cervantes, Quirk-Silva) Buy Local and Train Local:*** As passed by the Assembly Committee on Jobs, Economic Development, and the Economy, this bill would have required the Strategic Growth Council to seek methods for integrating local entrepreneurs and the workforce training and certification of workers into the evaluation and approval of projects. The bill also would have required reporting on small business activities related to program expenditures. Status: Provisions were amended into the program guidelines in August 2017 and the vehicle was amended to serve another purpose.
- 8) ***AB 865 (Alejo) California Energy Commission Grants and Loans Diversity:*** This bill requires the California Energy Commission (CEC) to develop and implement an outreach program to inform certified businesses owned by women, minorities, disabled veterans, and gay, lesbian, bisexual, and transgender individuals of CEC workshops and funding opportunities, as specified. Status: Signed by the Governor, Chapter 583, Statutes of 2015.
- 9) ***AB 880 (Gray) Tribal Nation Grant Fund:*** This bill establishes the Tribal Nation Grant Panel and the Tribal Nation Grant Fund Program (Program), and authorizes the Panel to award grants from available funds in the Tribal Nation Grant Fund (TNGF) to nongaming and limited-gaming tribes, as specified. In addition, this bill establishes the Office of the Governor's Tribal Advisor. Status: Signed by the Governor, Chapter 801, Statutes of 2018.
- 10) ***AB 906 (Cooley, Cervantes) State Support for Regional Priorities:*** This bill would have required the development of the California Economic Development Strategic Action Plan, containing policies, priorities, and actions the state would have used in undertaking economic development activities, including the support of regional economic development priorities. Status: Held in the Assembly Committee on Appropriations, 2019.
- 11) ***AB 1111 (E. Garcia, Arambula, Baker, Eggman, C. Garcia, Maienschein, Quirk-Silva, Reyes, Santiago, Steinorth) Breaking Barriers to Employment Initiative:*** This bill establishes the Breaking Barriers to Employment Initiative for the purpose of assisting individuals who have multiple barriers to employment to receive the remedial education and work readiness skills to help them to successfully participate in training, apprenticeship, or employment opportunities that will lead to self-sufficiency and economic stability. The Assembly Committee on Jobs, Economic Development, and the Economy is the sponsor of this bill. Status: Signed by the Governor, Chapter 824, Statutes of 2017.
- 12) ***AB 1259 (L. Rivas, Cervantes, E. Garcia) New Market Tax Credit:*** This bill would have authorized a New Market Tax Credit for qualified business investments in low-income communities beginning in the year 2020. Up to \$100 million could have been awarded annually. The Assembly Committee on Jobs, Economic Development, and the Economy was the sponsor of this bill. Status: Held in the Assembly Committee on Appropriations, 2019.
- 13) ***AB 1274 (Arambula, Salas) San Joaquin Valley Partnership:*** This bill would have codified the California Partnership for the San Joaquin Valley, a public/private partnership established for the purpose of collaboratively undertaking activities to improve the economic vitality of the San Joaquin Valley. Status: Held in the Assembly Committee on Appropriations, 2019.
- 14) ***AB 1479 (Cervantes) Credit Enhancements Opportunity Zones:*** This bill would have required the California Infrastructure and Economic Development Bank (IBank) to provide credit enhancements to

projects that support the development of an economic development facility, as defined, within a federally designated Opportunity Zone. The Assembly Committee on Jobs, Economic Development, and the Economy was the sponsor of this bill. Status: Held in the Assembly Committee on Appropriations, 2019.

15) AB 1553 (Cervantes, Gomez) Economic Development: Capital Access Loan Program: This bill makes changes to the capital access program for small business as specified. Specifically, this bill:

- a) Authorizes the use of moneys in the California Americans with Disabilities Act Small Business Capital Access Loan Program fund for payments to participating financial institutions or borrowers to provide incentives to participate in the ADA program, as specified;
- b) Requires the appropriate authority to adopt related regulations, as specified; and
- c) Allows small business assistance funds to include contributions and nonreimbursable payments made directly to borrowers or participating programs administered by the California Pollution Control Financing Authority as part of the California Capital Access Loan Program.

Status: Signed by the Governor, Chapter 644, Statutes of 2017.

16) AB 1726 (Cervantes, Arambula) Work Opportunity Tax Credit: This bill would have established the California Work Opportunity Tax Credit (CalWOTC), which would have authorized a credit under the personal income tax and the corporate tax of up to 40% of a qualified worker's wages, not to exceed \$2,400 per employee. The Assembly Committee on Jobs, Economic Development, and the Economy was the sponsor of this bill. Status: Died in the Assembly Committee on Appropriations, 2019.

17) AB 1900 (Brough) Capital Investment Incentive Programs: This bill extends the Capital Investment Incentive Program (CIIP) from January 1, 2019, to January 1, 2024. Existing law authorized a local government to offer a partial property tax abatement incentive for qualified manufacturing facilities for assessed property taxes. In order to qualify for the partial tax abatement, the manufacturer is required to have made an investment of at least \$150 million. The incentive may only be offered after the proponent and the local government agree to a "Community Services Agreement" that requires the proponent to meet certain criteria, such as job creation numbers, wages paid at least to the state average weekly wage, and local fees. Should the manufacturer fail to meet these requirements, the local government is entitled to repayment of any amounts paid. Status: Signed by the Governor, Chapter 382, Statutes of 2018.

18) AB 1904 (Cervantes) Income Tax Credits for Apprenticeships: This bill would have authorized, beginning in tax year 2019 through 2022, a tax credit of up to \$10,000 which could be claimed on taxpayers' Personal Income Tax or Corporation Tax for the hiring and training of registered apprentices. Apprentices would have been required to be at least 16 years old and currently enrolled in high school or a General Educational Development (GED) test preparation program, or receive a high school diploma or GED credential while participating in the apprenticeship. An individual taxpayer would have been authorized to claim no more than ten apprentices per year. The maximum aggregate amount of credits to be allocated in a single tax year would have been limited to \$10 million. Status: Died in the Assembly Committee on Appropriations, 2018.

19) AB 3030 (Caballero) CEQA Exemption for Opportunity Fund Investment: This bill would have exempted certain residential and mixed-use projects from the California Environmental Quality Act. In order to qualify, the project would have needed to be comprised of at least 50% affordable housing, be financed by a "qualified opportunity fund," and meet other additional specified requirements, including that it be consistent with the local land use plan, development of the project meet prevailing wage

requirements, and the project not have any significant impacts that have not been publicly disclosed, analyzed, and mitigated. Status: Died in the Senate Committee on Appropriations, 2018.

- 20) SB 25 (Caballero, Glazer) Opportunity Zone and Environmental Permitting:** This bill establishes specified procedures for the administrative and judicial reviews under the California Environmental Quality Act that are funded, in whole or in part, by specified public funds or public agencies for projects located within a qualified Opportunity Zone. Status: Pending in the Assembly Committee on Natural Resources, 2019.
- 21) SB 315 (Hertzberg) California Opportunity Fund:** This bill establishes a California Opportunity Fund, administered by a state government appointed board, for the purpose of attracting capital gains, which will be deployed in qualifying Opportunity Zones in California. Status: Pending in the Assembly Committee on Revenue and Taxation, 2019.
- 22) SB 635 (Hueso) Opportunity Zone Tax Conformity:** This bill would have conformed the Personal Income Tax Law and the Corporation Tax Law to provisions of the Internal Revenue Code that allow for specified tax treatment for income derived from activities within a qualified Opportunity Zone, including the deferral of a capital gain. Status: Held in the Senate Committee on Appropriations, 2019.
- 23) SB 635 (Hueso) Governor’s Office of Business and Economic Development: Office of the Promise Zone Coordinator:** This bill authorizes the Governor’s Office of Business and Economic Development (GO-Biz) to develop and post information on its website, as well as undertake other outreach activities, which support Promise Zones and Opportunity Zones, as specified. This bill also requires GO-Biz to convene representatives from various state and federal programs to discuss how California can leverage the federal Promise Zones or Opportunity Zones to meet state and local community and economic development needs, as specified. Status: Signed by the Governor, Chapter 888, Statutes of 2018.
- 24) SB 765 (Ridley-Thomas) California Partnership for Urban Communities:** This bill would have established the California Partnership for Urban Communities for the purpose of coordinating existing state and federal efforts designed to assist at-risk communities through locally led efforts. Status: Died due to inaction on the Assembly Floor, 2008.

Prepared by: Assembly Committee on Jobs, Economic Development, and the Economy
Assemblymember Sabrina Cervantes, Chair

Appendix D

Selection of Related Reports

This appendix includes summaries of key reports related to the informational hearing on upward mobility in the Inland Empire.

1. ***Advancing Opportunity in California's Inland Empire*** (2019). This report by the Metropolitan Policy Program at the Brookings Institute identifies trends and makes findings and recommendations on how the Inland Empire can advance economic opportunity through a deeper focus on regional growth strategies on “opportunity industries.” Opportunity industries are those industries which have a high concentration of quality jobs. Through this research, which included engagement with regional stakeholders, the following high-level insights are identified:

- The Inland Empire needs more good and promising jobs than it provides;
- Investing in opportunity industries – especially those in tradable industry sectors – can increase the region’s stock of good jobs;
- Providing education and workforce supports can improve workers’ abilities to obtain good and promising jobs; and
- Addressing race and gender gaps is crucial to securing the Inland Empire’s economic future.

These insights lead to three policy objectives upon which regional planning and collaboration could focus, including:

- Advance the capabilities and competitiveness of local firms in opportunity-rich manufacturing and logistics industries;
- Diversify the region’s economic base by developing new technological and industrial capabilities that complement the region’s existing logistic and manufacturing specializations; and
- Connect people to the information, education, and resources they need to obtain good jobs now and in the future.

In conclusion, the report notes that the Inland Empire faces a deficit of 347,500 good jobs, which leaves tens of thousands of families struggling to make ends meet. While the region can begin to address this gap by addressing the deficiencies and opportunities identified in this report, these strategies will require the involvement of many local and regional stakeholders, most especially employers.

<https://www.brookings.edu/research/advancing-opportunity-in-californias-inland-empire>

2. ***America's Tomorrow: Equity is the Superior Growth Model*** (2011). This report, prepared for Policy Link by the USC Program for Environmental and Regional Equity, calls for the development of a new economic growth model that is based on equity and the just and fair inclusion of all members of society. At its foundation, the report explains how the next generation of workers are more diverse, have less educational attainment than prior generations, and were most impacted by the recession. The report recommends three initial strategies, including rebuilding public infrastructure, growing new businesses and jobs, and preparing workers for the jobs of the future. The report also includes multiple case studies about innovative and inclusive economic development models being implemented across the country. <http://www.policylink.org/find-resources/library/americas-tomorrow-equity-is-the-superior-growth-model-summary>

3. ***California's Future*** (2019). This report by the California Public Policy Institute reviews a range of issues impacting California, including climate change, prisons and the incarcerated population, health care, higher education, housing, K-12 education, political landscape, impact of demographic trends, and the economy. Among the key findings related to the economy, the report stated that the economy was strong, but that persistent disparities could affect the state's long-term growth.

While unemployment is at historic lows, labor force participation also remains historically low. Growing economic differences among the regions and the quality of jobs are driving income inequality. While jobs in construction and service industries are expected to continue increasing, higher paying manufacturing jobs will remain stagnant. Looking forward, the report recommends pursuing policies to build a skilled workforce and spur economic growth; addressing barriers to work; and recognizing that broad labor market indicators often mask challenges.

<https://www.ppic.org/publication/californias-future>

4. ***California International Trade and Investment Strategy*** (2014). The International Trade and Investment Strategy is prepared by GO-Biz every five years for the purpose of guiding the implementation of a comprehensive international trade and investment program for the state. The 2014 governing policy framework is that by increasing trade, the state will create jobs, increase revenues, and improve the state's competitiveness – while still being able to serve as a leader in sustainable development.

The Strategy has four goals: (1) Support the expansion of California exports; (2) Increase foreign investment; (3) Support California as a gateway for goods and services into the U.S. and out to foreign markets; and (4) Work with federal and international entities to expand global market access. Among other key actions, the 2014 Strategy calls for the establishment of a Trade Advisory Council, reporting on the outcomes of the China Trade Office, and establishing a process to allow California to be more proactive in advocating before the U.S. Congress and the U.S. Trade Representative.

<http://www.business.ca.gov/International.aspx>

5. ***Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment*** (2014). This study, prepared by researchers at Harvard University and NBER, re-examined previously reported data from the Moving to Opportunity (MTO) experiment by comparing income tax filings to determine the longer term impacts the MTO experiment. The initial MTO experiment was a study of the potential impact of an enhanced Section 8 rent voucher, which allowed the lower income household to relocate to less poverty-impacted neighborhoods.

Evaluation of the MTO experiment, itself conducted in five major U.S. cities between 1994 and 1998, identifies positive impacts relative to the mental health, physical health, family safety, and general wellbeing of the household. Overall economic improvements, measured by earning and employment rates of the adults and working-age children, had not been identified previously. This study, undertaken two decades after the experiment, was able to look at the economic opportunities and earnings of everyone in the household and found positive economic benefits for younger children (under the age of 13) who participated in the experiment.

The study found that every year spent in a better neighborhood increased college attendance rates and earnings into adulthood. Alternatively, individuals who were over the age of 13 (15 years old on average) when they relocated experienced, in most cases, statically insignificant difference from the control group. The study also agrees with earlier studies that found no economic impact on adults.

Overall, the study concludes that "efforts to integrate disadvantages families into mixed-income communities are likely to reduce the persistence of poverty across generations."

<http://www.equality-of-opportunity.org/>

6. ***Equity-based Crowdfunding: Potential Implications for Small Business Capital*** (2015). This issue brief, prepared by the SBA Office of the Advocate, provides general background on the crowd funding provisions contained within the federal Jumpstart Our Business Act of 2012, as well as implementation issues and two examples of the online crowdfunding platforms. The brief also includes an outline of how small businesses may benefit once the federal regulations are released. Among other advantages, equity-based crowdfunding does not require collateral as a traditional lender would, there is no dilution of ownership as would likely be required by a venture capital investor, and should the business fail, there is no requirement to pay the investor back. Further, the investor networks that form can also provide the business with credibility within their broader business environment.
<https://www.sba.gov/advocacy/promising-future-equity-based-crowdfunding>
7. ***Export Nation 2013, U.S. Growth Post Recession, Global Cities Initiative*** (2013). This report, prepared under a joint project of the Brookings Institute and JP Morgan Chase, analyzes key export trends between 2003 and 2012 for the 100 largest metro areas in the U.S. Key findings from the report include:
 - Exports drove post-recession growth in the 100 largest metro areas.
 - Few metro areas are on track to achieve the NEI goal of doubling exports in 5 years.
 - The 10 largest metro areas, by export volume, produced 28% of U.S. exports in 2012.
 - Two-thirds of the largest metro areas underperformed in the United States as a whole on export intensity.
 - The most export-intensive metro areas are highly specialized in certain industries.
 - Metro areas whose export intensity grew fastest experienced higher economic growth.
 - Metro area manufacturing exports grew to record levels in 2012.
 - Services accounted for more than half of post-recession export growth in 11 metros, including San Francisco, Washington DC, and New York.
 - Certain industries, especially in the services sector, produced almost all of their exports in the top 100 metro areas.
 - Both highly specialized and highly diversified metros performed well from 2003 to 2012.
8. ***The Global Competitiveness Report*** (2018). This report, prepared for the World Economic Forum, provides a comprehensive assessment of 140 world economies through the use of 98 indicators spread out among 12 pillars representing key drivers of competitiveness, including institutions, infrastructure, ICT adoption, macroeconomic stability, health, skills, product market, labor market, financial system, market size, business dynamism, and innovation capability. The 2018 report launches a new Global Competitiveness Index 4.0, the foundation of which is the Fourth Industrial Revolution. In this inaugural release, the global average score was 60, which the report stated as suggesting that many economies have yet to implement the measures that would enhance their long term growth and resilience. Under the new rating and ranking system, the U.S. ranks highest with a competitiveness score of 85.6, followed by Singapore (83.5), Germany (82.8), Switzerland (82.6), Japan (82.5), Netherlands (82.4), Hong Kong SAR (82.3), the United Kingdom (82.0), Sweden (81.7), and Denmark (80.6). Among other findings, the report notes that weak institutions continue to hamper competitiveness, business development, and wellbeing in many countries. In this instance, institutions are defined as including security, property rights, social capital, checks and balances, transparency and ethics, public-sector performance, and corporate governance.

9. ***The Global Risks Report*** (2019). This report prepared for the World Economic Forum presents the survey results of the Global Risks Perception Survey, in which nearly 1,000 decision-makers from the public sector, private sector, academia, and civil society assess the risks facing the world. Among other findings, the survey found that nine out of 10 respondents expect worsening economic and political confrontations between major powers this year.

Inequality was also seen as an important driver of the global risks landscape with “rising income and wealth disparity” ranking fourth in respondents’ lists of key underlying trends. Further, over the next decade, extreme weather and climate change policy failures are seen as the gravest threats. The report also includes survey results on “what if” scenarios that examine quantum computing, weather manipulation, monetary populism, emotionally responsive artificial intelligence, and other potential risks.

<https://www.weforum.org/reports/the-global-risks-report-2019>

10. ***Inclusive Investments Start with Equitable Community Engagement*** (2019). This report prepared for The Strong, Prosperous, and Resilient Communities Challenge (SPARCC), presents lessons learned from six pilot projects that are using an inclusive investment model to support community development projects that prioritize a more equitable and healthy future for everyone. Project areas include Atlanta, Chicago, Denver, Los Angeles, Memphis, and the San Francisco Bay Area.

Fundamental to achieving inclusive investment are community engagement processes that directly link individuals in the planning, design, resource prioritization, and implementation of overall investment strategies, as well as specific projects. The report presents community engagement on a spectrum, starting with one-time information presentations, to consulting with and involving groups in decision making, to more fully engaging through collaboration with and empowering of community members to be decision makers. Key lessons learned include:

- Work with collaborative tables, comprised of public and private stakeholders, including community members, to reduce community conflict and expand reach;
- Explicitly respect and value local knowledge and community expertise;
- Commit resources for community expertise;
- Design and fund engagement activities appropriate to the need; and
- Measure what matters by developing locally relevant tools, such as an equity indicator framework to set baselines and benchmarks and track progress.

SPARCC believes that engagement processes centered on collaboration and community empowerment or power-sharing yield better results for all stakeholders, including public agencies. The SPARCC initiative is a partnership among Enterprise Community Partners, the Federal Reserve Bank of San Francisco, the Low Income Investment Fund, and the Natural Resources Defense Council.

<http://www.sparcchub.org>

11. ***The New Gilded Age: Income inequality in the U.S. by state, metropolitan area, and county*** (2018). This report, the fourth in a series prepared by the Economic Policy Institute, looked at trends in income inequality. The report examined income for the top 1% and the bottom 99% in each state over the years 1917–2015. The report found that income inequality has risen in every state since the 1970s and, in most states, it has grown in the post–Great Recession era. From 2009 to 2015, the incomes of the top 1% grew faster than the incomes of the bottom 99% in 43 states and the District of Columbia. The top 1% captured half or more of all income growth in nine states. In 2015, a family in the top 1% nationally

received, on average, 26.3 times as much income as a family in the bottom 99%. These findings are significant, as the rise of top incomes relative to the bottom 99% represents a reversal of the trend that prevailed in the mid-20th century. From 1928 to 1973, the share of income held by the top 1% declined in every state for which data was available. <https://www.epi.org/publication/the-new-gilded-age-income-inequality-in-the-u-s-by-state-metropolitan-area-and-county>

12. ***Roadmap to Shared Prosperity*** (2019). This report prepared by California Forward while serving as the secretariat for the California Economic Summit represents the collective vision of more than 500 participants at the 2018 Economic Summit, as well as hundreds of others who contributed through policy task forces and related events. The 2019 Roadmap to Shared Prosperity outlines the California Economic Summit’s plans for a comprehensive agenda to address the state’s biggest challenges with a triple bottom line approach.

- Creating the California Dream Index, a new scorecard for tracking the state’s progress toward improving economic mobility.
- Developing a poverty prescription through innovative “two generation” strategies and system change efforts that can improve results with adequate investments in a smarter safety net and put the California Dream within reach of every child.
- Encourage early childhood strategies that support community, regional, and state efforts to coordinate and expand high quality learning and nurturing for all children ages 0 to 5 through system change strategies, partnerships, and adequate investments.
- Continuing the Summit’s “One Million Challenges,” ongoing initiatives to close gaps in skilled workers, livable communities, and well-paying jobs.

<http://caeconomy.org/resources/entry/2019-roadmap-to-shared-prosperity>

13. ***Skills Attainment for Upward Mobility; Aligned Services for Shared Prosperity*** (2018). This report was prepared by the California Workforce Development Board to serve as the state’s unified plan under the Workforce Innovation and Opportunity Act (WIOA) for program years 2016-2019. The plan outlines a comprehensive four-year strategy for the investment of federal workforce training and employment services dollars in a manner intended to align, coordinate, and, when appropriate, integrate service delivery for the six core programs funded under WIOA, including: Title I Adult, Dislocated Worker, and Youth programs; Title II Adult Basic Education and Basic Skills programs; Title III Wagner-Peyser Employment Services programs; and Title IV Vocational Rehabilitation services. By state statute the plan is required to foster the building of regional alliances between employers and workforce and educational professionals to develop programs that meet industry’s workforce needs. The plan has three policy objectives:

- Fostering demand-driven skills attainment.
- Enabling upward mobility for all Californians, including populations with barriers to employment.
- Aligning, coordinating, and integrating programs and services to economize limited resources while also providing the right services to clients.

The goal of the plan is to produce a million “middle skill” industry-valued and recognized postsecondary credentials and to double the number of people enrolled in apprenticeship programs between 2017 and 2027. Collectively, the federal funds represent hundreds of millions of dollars annually, a substantial portion of which is administered at the local and regional levels. The plan also aligns other relevant state and federally funded workforce, education, and human services programs.

https://cwdb.ca.gov/plans_policies

14. ***Too Big to Ignore: Latina Microbusiness Owners*** (2019). This report, prepared for Hispanas Organized for Political Equality (HOPE), is a follow-up to a 2014 report on the economic status of Latinas. Building on that research, this report was developed through a series of focus groups designed to explore how Latinas can be better supported to start, run and grow a microbusiness. Through research and interviews, a number of key attributes were identified of Latina microbusiness owners, including:

- *Motivation to be an Entrepreneur:* Latinas are motivated to become a microbusiness owner for a variety of reasons, including independence, flexibility, improving their financial standing, spending more time with family, serving their community, and the opportunity to use their talents.
- *Meeting Community Needs:* Becoming a microbusiness owner allows Latinas to meet certain unmet community and business needs, such as culturally specific arts and handicrafts, translation services, and a wide range of services for Spanish language speakers.
- *Preserving Culture:* By being microbusiness owners, Latinas believe they can change and adapt business culture to meet family, culture, and community values.
- *Competitive Edge:* Latina business owners who cater to their communities consider that a shared language and cultural background give them a competitive edge.

The report further identifies challenges facing the Latina microbusiness owner, including:

- *Information Gaps:* Feeling under-prepared and uninformed about how to access government or financial institution funding and seek assistance in preparing to qualify for loans and grants.
- *Competing Demands:* Becoming too involved in day-to-day activities and other competing demands for time to focus on developing long-term business plans.
- *Access to Capital:* Having sufficient cash and inventory to meet demand and grow their businesses.
- *Discrimination:* Latinas in business are regularly challenged by gender stereotypes and perceptions that as women they are less competent and skilled than men, and by ethnic/racial discrimination.
- *Outsourcing:* Knowing how and when to delegate or outsource is difficult for women who are self-reliant and whose business revenues are limited.
- *Money Culture:* Feeling conflicted about their relationship with money, which can lead to their services and products being undervalued.

The report concludes with policy recommendations on how to better support Latina microbusiness owners, including providing targeted education and training to Latina business owners on key topics, such as accessing capital; ensuring that resources were well identified and located within local communities; and supporting professional networks that offer Latina entrepreneurs a supportive environmental to find mentors and engage with peers.

<https://www.latinas.org/reports>

15. ***The Unmet Legal Needs of America's Small Business Community*** (2015). This report, prepared by Insight Center for Community Economic Development, discusses and provides data on the significant unmet need for low-cost legal transactional services for small businesses, including nonprofits and cooperatives. Serving small businesses is a community economic development proposal that benefits

women and minority-owned businesses and nonprofit organizations that serve lower income communities.

Among other issues, the report provides information on the high cost of market rate legal services and the three primary methods for accessing no-cost services: legal service providers, pro bono donations from private firms, and law school transactional clinics. The report states that while there is a place for all of these service providers, they are insufficient to meet existing needs. The report also highlights the role of the Sustainable Economic Law Center (Oakland, California) in meeting local small business needs. Low-cost legal aid for small businesses is a key part, but an often overlooked component, to a comprehensive community development model.

<http://www.insightcced.org/hello-world>

16. **Where is the Land of Opportunity? The Geography of Intergenerational Mobility in the United States** (2014). This report was prepared by researchers Raj Chetty, Harvard University and National Bureau of Economic Research (NBER); Nathaniel Hendren, Harvard University and NBER; Patrick Kline, UC Berkeley; and NBER Emmanuel Saez, UC Berkeley and NBER. Their abstract is below, with bullets added for ease of reading.

“We use administrative records on the incomes of more than 40 million children and their parents to describe three features of intergenerational mobility in the United States.

- “First, we characterize the joint distribution of parent and child income at the national level. The conditional expectation of child income given parent income is linear in percentile ranks. On average, a 10 percentile increase in parent income is associated with a 3.4 percentile increase in a child’s income.
- “Second, intergenerational mobility varies substantially across areas within the U.S. For example, the probability that a child reaches the top quintile of the national income distribution starting from a family in the bottom quintile is 4.4% in Charlotte but 12.9% in San Jose.
- “Third, we explore the factors correlated with upward mobility. High mobility areas have (1) less residential segregation, (2) less income inequality, (3) better primary schools, (4) greater social capital, and (5) greater family stability.

“While our descriptive analysis does not identify the causal mechanisms that determine upward mobility, the publicly available statistics on intergenerational mobility developed here can facilitate research on such mechanisms.”

http://www.equality-of-opportunity.org/assets/documents/mobility_geo.pdf

Prepared by: Assembly Committee on Jobs, Economic Development, and the Economy
Assemblymember Sabrina Cervantes, Chair

Appendix E

Selection of Related 2019-20 Budget Actions

The 2019-20 budget package approved by the Legislature and signed by Governor Newsom in July 2019 funds a range of important policies that are designed to support more inclusive economic growth that benefits all Californians.

Community Development Highlights

As a first step, the budget establishes a **strong fiscal foundation** by paying and pre-paying state debt, while continuing to set aside reserves to help the state stave off draconian budget cuts resulting from revenue reductions in the case of a recession. The 2019-20 budget package assumes an estimated \$19.4 billion in reserves, including \$16.5 billion in the Proposition 2 rainy day fund.

- **Moving Toward Universal Preschool and Childcare.** Building off of the work of the Assembly’s Blue Ribbon Commission on Early Childhood Education, California is setting a path to a master plan that ensures comprehensive, quality, and affordable childcare and preschool. This budget funds major new investments in childcare (over 11,000 new vouchers and slots) and state preschool (10,000 new full-day slots).
- **Public Schools.** The budget provides record levels of Proposition 98 funding (about \$81 billion in state and local funds) to public schools and community colleges, equal to over \$12,000 per student. To address the real cost pressures facing school districts, the budget provides an unprecedented level of additional funding—over \$3 billion—to moderate districts’ future pension cost increases. The budget contains new funding for special education in preschool and K-12, as well as for American Indian Education Centers and the American Indian Early Childhood Education Program.
- **Access to College.** The budget funds approximately 15,000 new slots for undergraduates at UC and CSU. It expands the College Promise fee waiver program to a second year at community colleges and funds over 15,000 new competitive Cal Grant awards, a major expansion of this program. The budget provides \$50 million to support state and local Child Savings Account programs, which are designed to help families build assets for their children’s post-secondary education.
- **Housing and Homelessness.** The budget includes \$500 million in one-time funds for housing-related infrastructure to help boost needed construction, \$500 million (one-time) for a mixed income loan program through California Housing Finance Agency, \$500 million in one-time funds to expand the Low Income Housing Tax Credit, \$250 million for planning grants to help local jurisdictions work through the Regional Housing Needs Assessment, and \$650 million in one-time funds to help local jurisdictions address the homelessness crisis.
- **Other Issues.** The budget provides tens of millions of dollars more for 2020 Census outreach, extending California’s historic investment to help ensure a complete count. The package provides over \$300 million for disaster preparedness, including communications infrastructure, and new funding to help communities affected by disasters. Pending future legislative deliberations, the Budget Conference Committee package includes placeholder trailer bill provisions to change California’s tax laws in response to Governor Newsom’s proposals to conform state tax law to recently changed federal tax laws. The budget also temporarily ends the sales tax on diapers and menstrual products.

Information on Specific Appropriations in 2019-20 Budget

The 2019-20 California Budget represents a spending plan for over \$200 billion dollars. The list below includes a list of just some of the specific appropriations for the Inland Empire. These are in addition to funding for state programs that serve the region, including \$17 million for the State Small Business Technical Assistance Enhancement Program.

- **Expanding Community Facilities:**

- \$3 million General Fund one-time for the City of Rancho Cucamonga Community Dog Park.
- \$1,800,000 General Fund one-time for the acquisition phase to replace the Elsinore Fire Station in Riverside County. The Elsinore Fire Station built in 1946 has functional deficiencies and is not large enough to properly house both equipment and employees. The apparatus building is inadequate to accommodate the larger fire engines currently in use.
- \$500,000 General Fund one-time for the Colton Playground in the City of Colton.
- \$1,931,000 General Fund one-time for the preliminary plans phase to replace the existing Hemet-Ryan Air Attack Base in Riverside County, which no longer meets programmatic needs.
- \$834,000 General Fund one-time for the construction phase to remodel the Perris Emergency Command Center in Riverside County, which has functional deficiencies.
- \$8.8 million ongoing General Fund to establish two new 60-bed female correctional facilities in Los Angeles and Riverside, and expand an existing male correctional facility in Los Angeles County by 10 beds.
- \$21.13 million (\$1.37 million Immediate and Critical Needs Account, \$19.76 million Public Construction Fund) for working drawings and construction for the New Indio Juvenile and Family Courthouse project located in Riverside County and \$17.15 million Public Construction Fund for the construction phase of the New El Centro Courthouse project in Imperial County.
- \$1,300,000 General Fund for the working drawings phase to replace the existing Prado Helitack Base in San Bernardino County, which no longer meets programmatic needs.
- Use of lease revenue bond financing for three CHP capital outlay projects, including San Bernardino Office Replacement (\$42 million).

- **Addressing Housing and Homelessness:**

- \$3 million to the City of San Bernardino to develop General Plan amendments.
- \$7.1 million General Fund and four permanent positions to address increased operating expenses and equipment and to comply with new federal requirements for pharmacy services and compliance oversight. Only \$808,000 of the request (for the staff) is ongoing; the remainder of the funding is one-time. The request includes funding to address operational shortfalls at the Yountville, Barstow, and Chula Vista Veterans Homes.
- Approves \$1.5 million to fund a veteran's housing project in Cathedral City.

- **Creating Economic Opportunity:**

- \$5 million to City of Ontario for a Downtown Ontario Revitalization project featuring 65 units of low-to-moderate income housing, coupled with Business Technology Incubator with a centrally located Workforce Development Center.
 - \$237,000 Indian Gaming Special Distribution Fund appropriation and one new position to support the increase in Commission workload associated with establishing, implementing, and administering the new Tribal Nation Grant Fund (TNGF) Program as outlined in AB 880 (Gray, Chapter 801, Statutes of 2018).
 - Approves provisional language providing the authority to transfer excess revenues from the Revenue Sharing Trust Fund to the TNGF and approximately \$39.3 million TNGF to provide grants to eligible tribes, as required by AB 880.
- **Elevating Education and Workforce Training:**
 - Budget bill language authorizing medical school facilities at UC Riverside and UC Merced and stating legislative intent to support debt service costs for these projects.
 - \$2 million one-time General Fund to study new campus sites in San Joaquin County, and another \$2 million to study sites in Chula Vista, Palm Desert, San Mateo County, and Concord.
 - \$5 million ongoing Proposition 98 General Fund for veterans resource centers. Also provides \$750,000 one-time Proposition 98 General Fund to expand the Norco College Veteran Resource Center.
 - \$1 million one-time Proposition 98 General Fund each to five community colleges, including San Bernardino community college, and \$750,000 one-time Proposition 98 General Fund to Norco community college to improve workforce development programs.
 - \$900,000 General Fund one-time for the Colton Area Museum in the City of Colton.
 - \$20,000 General Fund one-time for the Grand Terrace Playground in the City of Grand Terrace.
 - **Building Resilient Environments:**
 - \$15 million General Fund one-time for the Jurupa Mountain Conservation in the City of Jurupa Valley.
 - \$5 million Proposition 84 funding to support 7.2 existing positions and fund development, rehabilitation, acquisition, and restoration related to providing public access to recreation and fish and wildlife enhancement resources at Perris Dam, a SWP facility.
 - Approves \$1.3 million General Fund one-time for the Blue Mountain Trail and Wilderness in the City of Grand Terrace.

Source: Excerpted from the 2019-2020 budget summary prepared by the Assembly Committee on the Budget, Assemblymember Phillip Ting, Chair

Appendix F

How Trade Adds Value to the Economy

International trade and foreign investment are important components of California's \$2.9 trillion economy supporting over 4 million California jobs. The value of trade to the California economy is increasing, as reflected in the percentage of California jobs tied to trade having more than doubled from 1992 to 2011: 10.6% vs. 22.0%.

As noted above, businesses from a range of industry sectors support trade and foreign investment activities in California. Among other advantages, the workers in these businesses earn on average 13% to 28% higher wages than the national average. California leads the nation in the number of export-related jobs.

Advances in transportation and communication technologies are encouraging the development of previously undeveloped markets and expanding multinational business opportunities for California firms. Today, four of California's top five exports include component parts, which leave the state to be combined and assembled into a final product in a foreign country. With more than 95% of consumers located outside of the U.S. and the world's emerging economies experiencing a growing middle class, accessing these global markets is key to California's continued economic growth.

California's land, sea, and air ports of entry served as key international commercial gateways for the \$620 billion in products that entered or exited the U.S. in 2018. Goods exported from California were valued at \$178.4 billion and represented 10.7% of total U.S. exports in 2018. Goods imported into California were valued at \$441.1 billion and represented 17.3% of total U.S. imports in 2018.

Chart 1 shows data of the export of goods to the state's top six trade partners, based on origin of movement. California's largest export market in 2018 was Mexico, who received over \$30.7 billion in California products. Please note that federal reporting separates data from China and Hong Kong. Other top-ranking export destinations not shown on the chart include Germany, the Netherlands, and the United Kingdom.

Chart 1 – California Exports of Goods for 2011 to 2018 (billions of dollars)									
	Partner	2011	2012	2013	2014	2015	2016	2017	2018
	World	\$159.4	\$161.7	\$168.0	\$174.1	\$165.3	\$163.5	\$171.9	\$178.4
1	Mexico	\$25.8	\$26.3	\$23.9	\$25.4	\$26.7	\$25.2	\$26.7	\$30.7
2	Canada	\$17.2	\$17.4	\$18.8	\$18.2	\$17.2	\$16.1	\$16.7	\$17.7
3	China	\$14.2	\$13.9	\$16.2	\$16.0	\$14.3	\$14.3	\$16.4	\$16.3
4	Japan	\$13.1	\$13.0	\$12.7	\$12.2	\$11.7	\$11.7	\$12.8	\$13.0
5	Hong Kong	\$7.6	\$7.8	\$7.7	\$8.5	\$8.7	\$9.6	\$12.1	\$9.9
6	South Korea	\$8.4	\$8.2	\$8.3	\$8.6	\$8.6	\$8.2	\$9.6	\$9.9

Source: International Trade Administration, accessed 4/8/19

In today's globally linked economy, manufacturing utilizes products from across the U.S., as well as from other nations. In 2012, 61% (\$1.3 trillion) of the products imported into the U.S. were inputs and components intended for use by American producers. According to the Organization for Economic Co-operation and Development, in 2014, 15.1% of U.S. exports and 29.4% of exports from the People's Republic of China contained materials that originated from a foreign country, which demonstrates the importance of trade to not just California, but to the U.S. as a whole.

Chart 2 displays data on the top 10 products California exported in 2018, many of which include components and production resources.

Chart 2 – California Exports 2018		
<i>Product Type</i>	<i>Export Value (in millions of dollars)</i>	<i>Percent of Total Exports</i>
Computer and Electronic Products	\$45,195,476,330	25.4%
Transportation Equipment	\$19,162,445,322	10.8%
Machinery; Except Electrical	\$17,793,660,343	10.0%
Miscellaneous Manufactured Commodities	\$15,775,947,513	8.9%
Chemicals	\$13,696,991,318	7.7%
Agricultural Products	\$13,496,771,528	7.6%
Food Manufactures	\$9,100,370,221	5.1%
Electrical Equipment; Appliances and Components	\$7,813,238,657	4.4%
Petroleum and Coal Products	\$4,986,514,588	2.8%
Waste and Scrap	\$4,816,953,547	2.7%
All Other Products	\$26,342,683,422	14.7%
<i>Total Exports - All Products</i>	<i>\$178,181,052,789</i>	<i>100%</i>
<i>Source: International Trade Administration, accessed 09/11/2019</i>		

California also exports services to businesses, consumers, other organizations, and governments around the world. Between 2006 and 2016, the export of California services has increased 87%, increasing from \$73 billion to \$136 billion in services. California’s largest export service sectors in 2016 included:

- Royalties and License Fees at \$37.5 billion
- Travel Services at \$32.9 billion
- Business, Professional, and Technical Services at \$28.4 billion
- Transportation Services at \$12.2 billion
- Financial Services at \$11.2 billion

Canada was California’s largest service export market receiving \$9.4 billion in services in 2016, which supported an estimated 61,315 jobs. California’s second largest service export market was China with \$9.1 billion in services in 2016 and support for 61,349 jobs.

In addition to exporting goods and services, the California economy benefits from foreign-owned firms. The federal International Trade Administration estimates that in 2015 (most recent data) over 710,000 California workers have benefited from jobs with foreign-owned firms.

California has had the highest level of employment in foreign-owned firms in the nation since at least 1997. In 2015, jobs in California foreign-owned firms represented 5.1% of all private sector jobs in the state, up from 4.1% in 2013. Along with employment, foreign-owned firms own more property, plants, and equipment in California than in any other state.

Prepared by: Assembly Committee on Jobs, Economic Development, and the Economy
Assemblymember Sabrina Cervantes, Chair

Appendix G

New Community Investment Tool: Opportunity Zones

New tax provisions in the federal Tax Cuts and Jobs Act of 2017 could provide an incentive for investors to deploy capital in lower income neighborhoods. Provisions in the federal Tax Cuts and Jobs Act of 2017 authorized the establishment of Opportunity Zones (OZ) in low income areas of a state for the purpose of attracting private investment capital. Governors were authorized to nominate up to 25% of their respective states' eligible low income census tracts for designation. Up to 5% of the 25% of the nominated census tracts could be from census tracts adjacent to the eligible low income census tracts. Once approved by the U.S. Treasury, census tracts remain designated for a term of 10 years.

- ***Eligible Census Tracts:*** An Opportunity Zone is defined as any census tract that has either: (1) a poverty rate of at least 20%, or (2) a median family income that does not exceed 80% of statewide median income.
- ***California Eligible Areas:*** Based on guidance from the U.S. Treasury, California had 3,516 eligible low income census tracts, meaning California was able to nominate up to 879 census tracts. As census tracts are designed to capture geographic areas of approximately 4,000 people, more than 3 million Californians are potentially living within an Opportunity Zone. Link to online resources related to designated census tracts:
http://www.dof.ca.gov/Forecasting/Demographics/opportunity_zones/index.html

Federal law authorizes a broad range of business investments, including investments in stock, partnership interest, and business property. A qualified OZ business property investment may include new and substantially improved tangible property, including commercial buildings, equipment, and multifamily housing complexes. The essential eligibility requirement of the tax incentive is that the investment must be made through a qualified Opportunity Fund. For investors who properly place moneys in a qualified Opportunity Fund, they will receive:

- A temporary deferral of inclusion in taxable income for capital gains reinvested in an Opportunity Fund. The deferred gain must be recognized on December 31, 2026, or earlier if the Opportunity Zone investment is disposed;
- A step-up in basis for capital gains reinvested in an Opportunity Fund. The basis is increased by 10% if the investment in the Opportunity Fund is held by the taxpayer for at least five years and by an additional 5% if held for at least seven years, thereby excluding up to 15% of the original gain from taxation; and
- A permanent exclusion from taxable income of capital gains from the sale or exchange of an investment in an Opportunity Fund if the investment is held for at least 10 years. This exclusion only applies to gains accrued after an investment in an Opportunity Fund.

Leveraging Opportunity Zones for Local Projects

Opportunity Funds represent a new community reinvestment opportunity for California lower income neighborhoods. As such, they are sparking conversations and collaborative engagements between economic and business development professionals. California Forward, who serves as the secretariat for the California Economic Summit, is a lead partner in several of these conversations, as well as organizations like the Milken Institute's Center for Regional Economics. The Assembly Committee on Jobs, Economic Development, and the Economy (JEDE) has both attended and hosted a number of these events. JEDE has

also dedicated committee-sponsored web pages to facilitate discussions among the members and staff of the Legislature, as well as stakeholder groups: <https://ajed.assembly.ca.gov/content/opportunity-zones/>.

The primary focus of these conversations has been on how California can maximize the use of the Opportunity Zone to direct private capital investment into lower income communities across the state. Also of importance have been discussions on how to assist communities with practical ways to protect themselves from investments that may lead to development inconsistent with neighborhood or community interests.

While the Opportunity Zone tax incentive has no mandate for community benefits, communities can use their existing authorities and resources to identify priority projects, remove regulatory impediments, and potentially provide local incentives to be more attractive to investors, such as permit streamlining, approvals of master land use plans, and dedicating community development funds. Below is a short overview of the top-five recommendations from the California Forward-facilitated discussions, based on notes from a meeting hosted by the Bay Area Council and which reflect contributions from numerous meetings around the state.

1. State programs and resources should be reviewed and made ready for layering with Opportunity Zone investments in order to bolster their effectiveness in achieving community benefits. [*The JEDE Committee has been reviewing legislation and taking testimony related to this item.*]
2. State tax laws should be amended to conform with the new federal capital gains rules to meet state policy objectives. It is reported that 45 other states have revised their tax structures to conform their treatment of capital gains to the new federal rules. [*The Administration raised tax conformity for green tech and affordable housing projects as part of the 2019-20 budget negotiations.*]
3. State financial assistance is needed for local capacity building in order for communities to be “Opportunity Zone Ready.” [*Small-size local planning grants are being discussed during policy discussions, but no funding was proposed in the budget process.*]
4. Where possible, state and local regulatory processes should be streamlined, as well as other actions to create a short pathway to project implementation. [*GO-Biz has a track record for effectively working with regions and locals on similar projects through its Office of Permit Assistance and facilitation of local zero emission vehicle infrastructure, among other activities.*]
5. Results should be measured using performance-based models so that outcomes can be tracked over time to ensure new investments are actually improving local conditions. [*A recommendation from the 2018 Economic Summit is to continue the development of the (California) Dream Index in order to track key indicators related to upward mobility and inclusive growth.*]

The Milken Institute, a nonprofit and nonpartisan economic policy think tank known for developing financial innovations, also believes that states can play a vital role in the deployment of Opportunity Fund moneys within their respective states. While investors are already seeking deals, it is in the best interest of states to “align incentives for the spectrum of deals (e.g., mixed-use real estate, new business formation) in order to structure deal flow with smart exits. In doing so, states are building community benefit prerequisites into the process, creating a mechanism that retains the intended tangible benefits of the investment.” Ideally, according to Milken, states will benefit from having a pipeline of shovel-ready projects, including a state framework to streamline Opportunity Zone deals.

Next Steps

Legislation enacted in 2018 calls for the establishment of a California website to assist communities, investors, and community development partners: <https://opzones.ca.gov> [SB 635 (Hueso), Chapter 888, Statutes of 2018]. GO-Biz is planning an annual meeting as mandated by SB 635, which will include information on how to leverage opportunity zones to meet state and local needs. Anyone interested in attending should sign-up online at: zones@gobiz.ca.gov.

In 2019, a series of bills were introduced to attract Opportunity Fund investors. None of the bills, including the Governor's budget trailer bill proposal, passed the Legislature. A list of proposed legislation relating to opportunity zones is included in *Appendix C (page v)*.

Prepared by: Assembly Committee on Jobs, Economic Development, and the Economy
Assemblymember Sabrina Cervantes, Chair

Appendix H

PowerPoint for “Seeding Regional Competitiveness and Building Innovation”



Seeding Regional Competitiveness and Building Innovation Ecosystem(s)

Assembly Committee on Jobs, Economic Development, and the Economy
Wednesday, September 25, 2019

MI Best-Performing Cities: Metrics

TABLE 2 Components of the Best-Performing Cities Index

Component	Weight
Job growth (I=2012)	0.143
Job growth (I=2016)	0.143
Wage and salary growth (I=2011)	0.143
Wage and salary growth (I=2015)	0.143
Short-term job growth (Aug 17-Aug 18)	0.143
High-tech GDP growth (I=2012)	0.071
High-tech GDP growth (I=2016)	0.071
High-tech GDP location quotient (2017)	0.071
Number of high-tech industries with GDP LQ>1 (2017)	0.071

Note: I refers to the beginning year of the index. Weights do not add up to 1, due to rounding.



Source: Milken Institute Best Performing Cities Report 2018.

2

Top 10 Ranked California Metros According to 2018 Best-Performing Cities Index

Metropolitan statistical area (MSA)	2018 rank	2017 rank	Rank change
San Jose-Sunnyvale-Santa Clara, CA	2	11	+9
San Francisco-Redwood City-S. San Francisco, CA	4	4	0
Oakland-Hayward-Berkeley, CA	14	16	+2
Riverside-San Bernardino-Ontario, CA	15	20	+5
Santa Rosa, CA	18	43	+25
San Luis Obispo-Paso Robles-Arroyo Grande, CA	31	34	+3
Stockton-Lodi, CA	34	68	+34
Santa Cruz-Watsonville, CA	36	31	-5
Fresno, CA	37	66	+29
Merced, CA	38	94	+56



Source: Milken Institute Best Performing Cities Report 2018.

3

Highest Ranked CA MSA: San Jose-Sunnyvale-Santa Clara, CA Best-Performing Large Cities: #2

JOB GROWTH (2012-17)	16TH
JOB GROWTH (2016-17)	30TH
WAGE GROWTH (2011-16)	2ND
WAGE GROWTH (2015-16)	6TH
SHORT-TERM JOB GROWTH (8/2017-8/2018)	11TH
HIGH-TECH GDP GROWTH (2012-17)	4TH
HIGH-TECH GDP GROWTH (2016-17)	14TH
HIGH-TECH GDP CONCENTRATION (2017)	1ST
NUMBER OF HIGH-TECH INDUSTRIES (LQ>=1) (2017)	2ND



Source: Milken Institute Best Performing Cities Report 2018.

4

Highest Ranked Inland MSA: Riverside-San Bernardino-Ontario, CA

Best-Performing Large Cities: #15

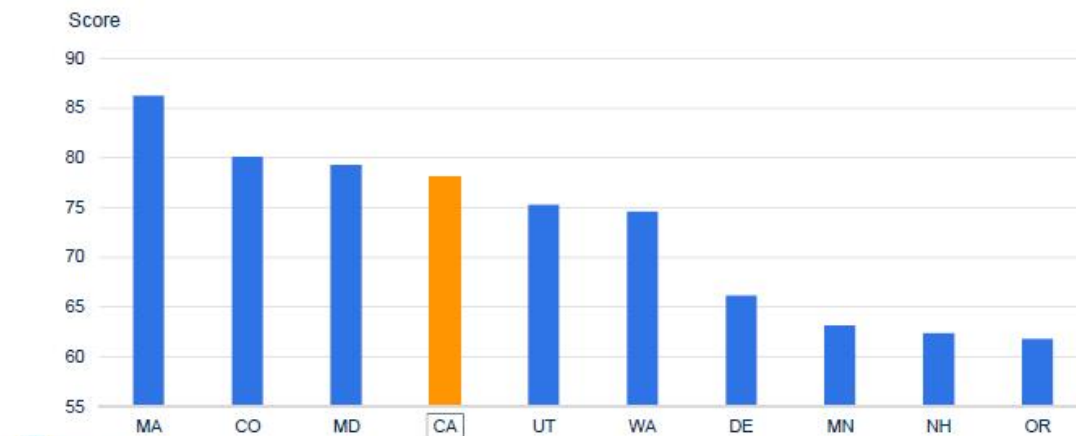
JOB GROWTH (2012-17)	3RD
JOB GROWTH (2016-17)	7TH
WAGE GROWTH (2011-16)	19TH
WAGE GROWTH (2015-16)	48TH
SHORT-TERM JOB GROWTH (8/2017-8/2018)	18TH
HIGH-TECH GDP GROWTH (2012-17)	95TH
HIGH-TECH GDP GROWTH (2016-17)	28TH
HIGH-TECH GDP CONCENTRATION (2017)	131ST
NUMBER OF HIGH-TECH INDUSTRIES (LQ>=1) (2017)	112TH



Source:

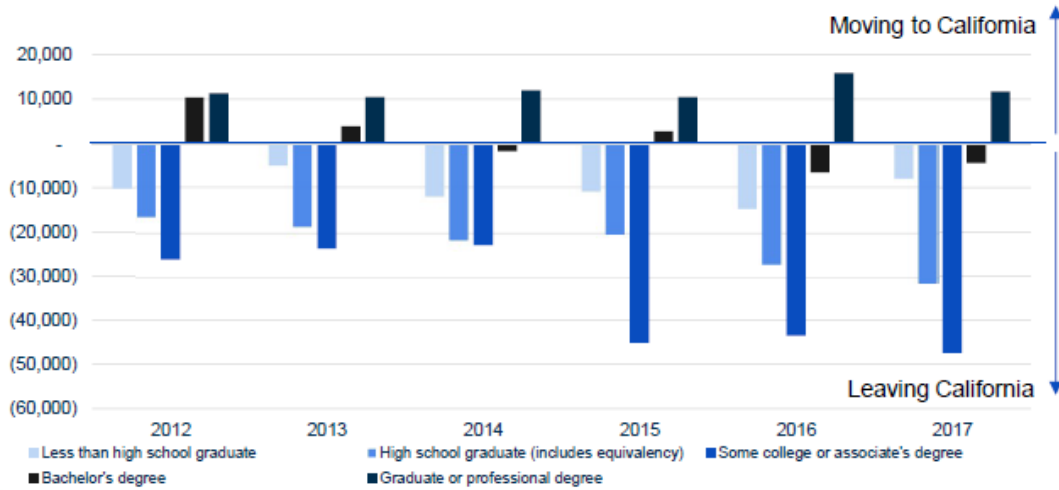
69

State Technology and Science Index



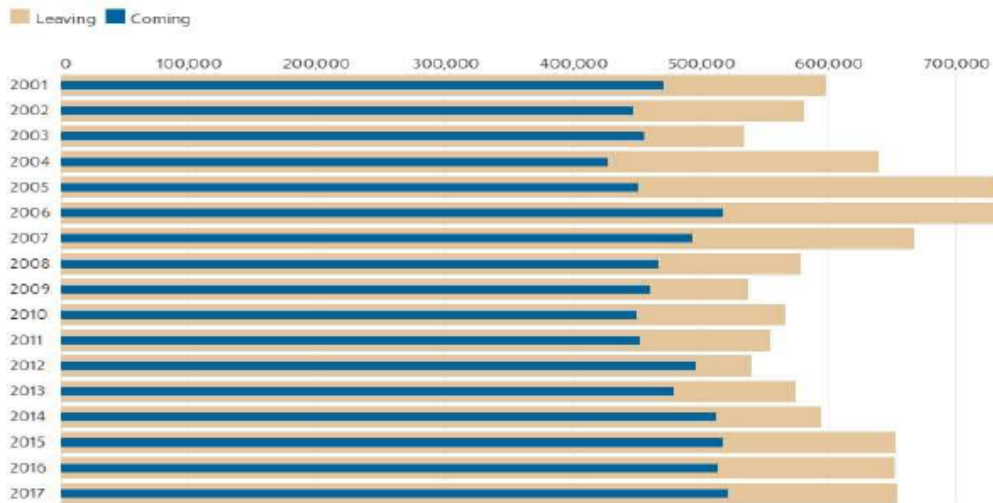
Source: Milken Institute State Technology and Science Index 2018.

California's net migration reveals the opportunity gap



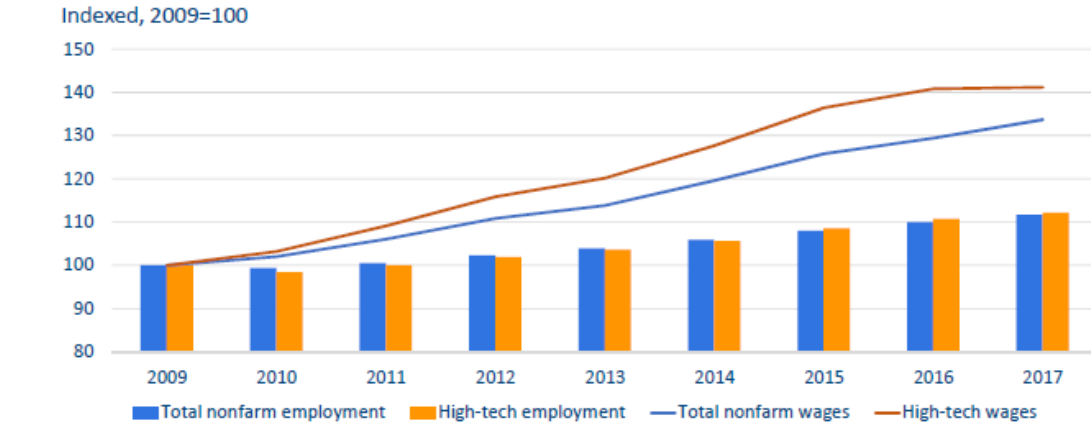
Sources: U.S. Census Bureau, American Community Survey 2012-2017, Milken Institute.

Migration To and From California from Other States (2017)



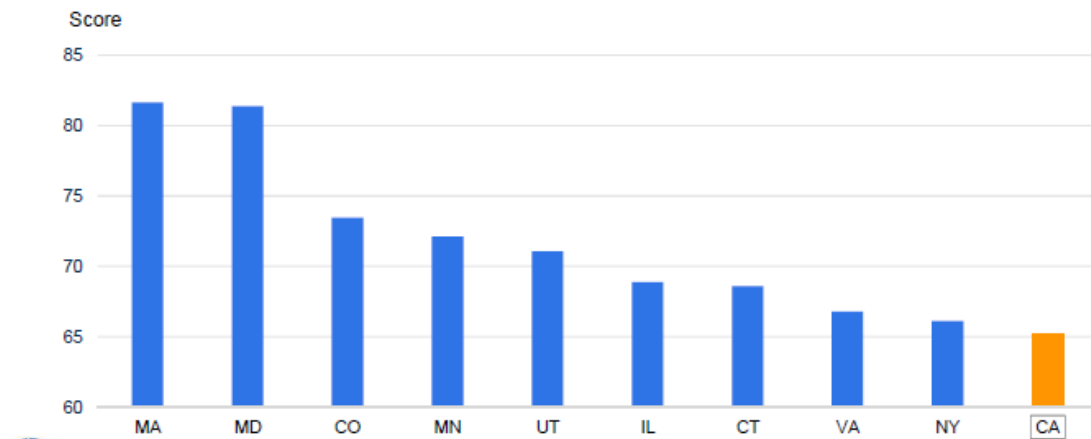
Source: U.S. Census Bureau, Sacramento Bee

High-tech industries coming out of the recession – creating high quality jobs



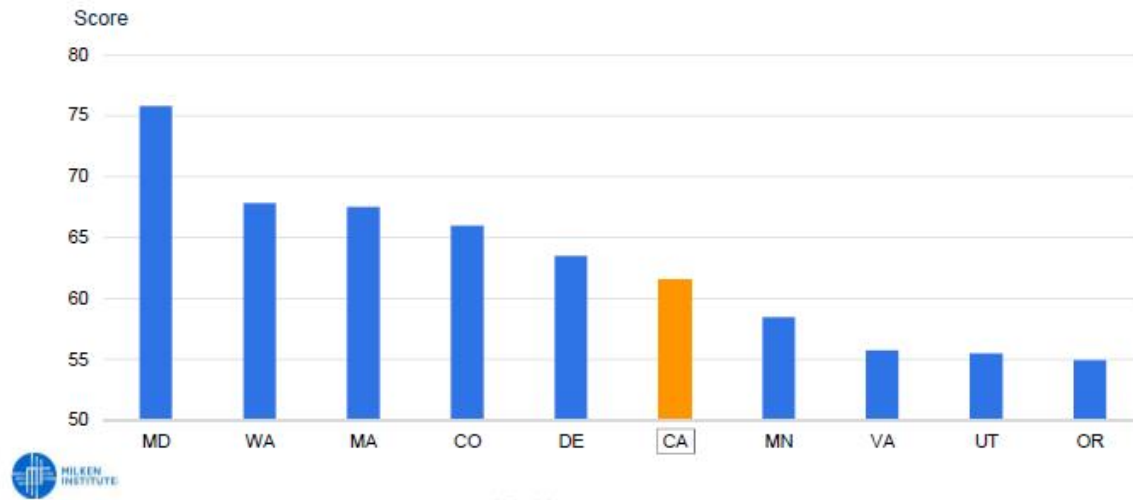
Sources: Milken Institute, Bureau of Labor Statistics.

Human Capital Investment Index

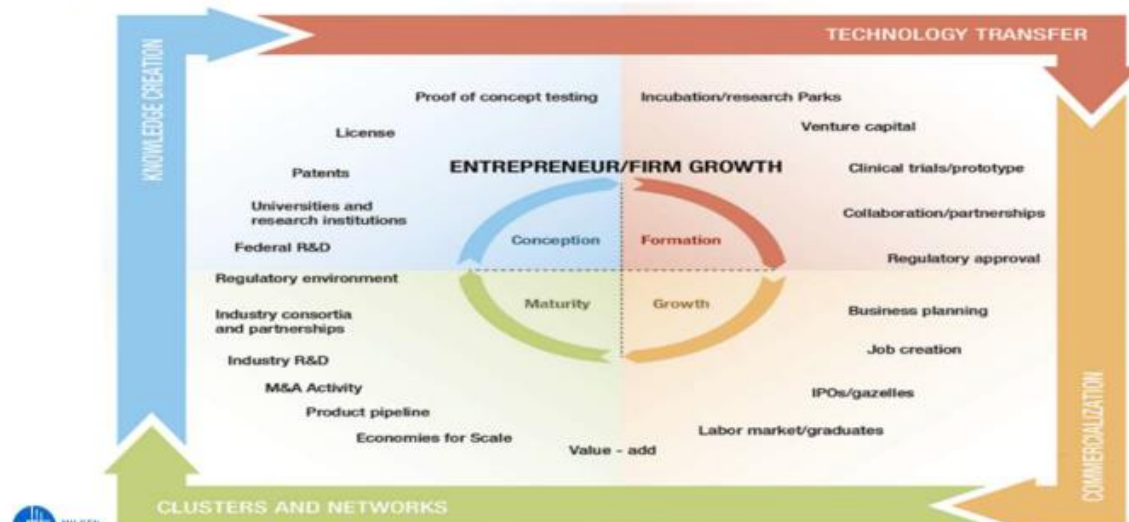


Source: Milken Institute State Technology and Science Index 2018.

Technology and Science Workforce Index



Regional innovation life cycle



Source: Milken Institute.



- Caltech is No. 1 for patents
- UCLA is No. 1 for startups



Source: Milken Institute.

Next steps: Building Innovation

Leverage assets, Promote place –based investments, and support regional partnerships by:

- **Investment:** Encouraging R&D investment in California and align state incentives to promote business formation
 - Prioritize housing, infrastructure, and workforce development investments.
- **Encourage partnerships:** between higher-education institutions and private companies to provide students with work experience to improve workforce readiness and job placement (e.g. apprenticeship and upskilling programs for incumbent and disconnected workers).
- **Lower costs:** Increase scholarships and other financial aid for higher education for in-state students and workers who plan STEM careers.



Source: .



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Appendix I

Handout for “Regions Rise Together” Initiative



A CALL TO ACTION TO REALIZE A CALIFORNIA FOR ALL

By many economic measures, California is booming.

- California is the world's 5th largest economy and is growing faster than the U.S.¹
- More businesses start here than anywhere else in the country – including many that become industry leaders thanks to our innovative spirit, world-class colleges and universities, state-of-the-art labs, and a truly diverse workforce.
- The state continues to grow and is projected to add 10 million people over the next 30 years, reaching a population of 50 million by 2050.²

But California is also a tale of two states. The state has the highest poverty rate in the nation when adjusting for the cost of living, and there are growing disparities between coastal and inland regions.³ For example, 70 percent of job growth since 2010 has been in coastal California, and inland California counties are declining in income relative to the state as a whole.⁴ Yet inland communities also have a strong history to build on and numerous assets to leverage for future economic growth.

California's regions are increasingly interconnected; our future success relies on reversing our growing disparities.

WHAT IS REGIONS RISE TOGETHER?

Regions Rise Together is a vision for inclusive and resilient economic development and sustainable land use and transportation planning across California and its regions.⁵ It includes:

- A process to **gather input from stakeholders** across California's diverse regions.
- An opportunity to **reinforce the State's core goals and values** around responding to the climate crisis, protecting natural areas, supporting growth in existing communities, expanding alternatives to driving, and growing quality jobs.
- An action plan to **achieve a more inclusive, sustainable and resilient economy** as well as to better connect California and its regions.

WHAT IS THE APPROACH TAKEN BY REGIONS RISE TOGETHER?

Each region has distinct strengths and assets. Regions Rise Together is about encouraging each region to build on its advantages, to form new partnerships, and to develop new ways of working across sectors and communities within and across regions.

Regions Rise Together is also highlighting how all regions are interconnected and the role of the State to improve systems that link our regions and knit the state together, such as rail and higher education. The initiative further

recognizes the need to leverage civic, political and private sector leaders, particularly in encouraging investment, travel, and partnership between coastal and inland regions.

WHERE IS REGIONS RISE TOGETHER WORKING?

Regions Rise Together means all regions of California and over time will engage throughout the entire state.

In 2019, the effort begins with a focus on the eight-county San Joaquin Valley and the two-county Inland Empire.

WHO IS LEADING REGIONS RISE TOGETHER?

Regions Rise Together is led by the Governor's Office of Business and Economic Development (GOBiz) and the Governor's Office of Planning and Research (OPR).

The State has formed a partnership with CA Fwd and the California Stewardship Network on engaging with regions as well as for the CA Economic Summit.

Other partners include the California Association of Councils of Governments (CALCOG) and the state's Metropolitan Planning Organizations and Councils of Government.

The team is also coordinating with Inland California Rising, an emerging coalition of leaders from the San Joaquin Valley and Inland Empire.

THE FOCUS FOR SUMMER/FALL 2019: JOINT STRATEGY SESSIONS AND ENGAGEMENT

Meetings, listening sessions and speaking events are being held throughout the San Joaquin Valley and Inland Empire. Joint strategy sessions will take place in:

- **Inland Empire** on September 13, 2019 in San Bernardino
- **Kern County & Southern San Joaquin Valley** on September 25, 2019 in Bakersfield
- **Central & Northern San Joaquin Valley** on October 3, 2019 in Merced
- **North State** on October 7, 2019 in Redding

These efforts will align with Governor Newsom's keynote at the CA Economic Summit on November 7-8 in Fresno.

WHAT IS THE APPROACH TO POLICY BUY-IN AND GENERATING IDEAS FOR ACTION?

Inclusive economic development happens when diverse stakeholders come together across a range of sectors at the regional scale to identify long-term regional priorities and make commitments to achieve them. Regions Rise Together encourages such regional action, and staff from State agencies will hold interviews, meetings and convenings at regional and statewide levels. The information gathered will be unified and shared with State leadership prior to the CA Economic Summit. The joint strategy sessions are an opportunity to workshop initial strategies and to model broad-based regional dialogue and consensus building.

WHAT ARE THE KEY PILLARS OF WORK FOR REGIONS RISE TOGETHER?

1. Promoting Regions Up Planning and Partnerships
2. Changing our Mental Map of California
3. Improving Connections Across Regions to Link California

WHAT ARE EXAMPLES OF THIS WORK?

- 1 Promoting Regions Up Planning and Partnerships**

Regions Rise Together will support and institutionalize cross-sector civic partnerships at the regional scale, like IEGO in the Inland Empire and the DRIVE Initiative in Fresno. It also will strengthen and leverage the role of regions in planning, such as the role of the Council of Governments in the 2019 Housing Planning and Production Grants trailer bill.

Regions Rise Together is exploring alignment of state resources toward regions, highlighting stellar projects taking place in each region, and expanding targeted outreach to inland California for statewide programs, such as Strategic Growth Council funds.
- 2 Changing our Mental Map of California**

Regions Rise Together is changing the way we think about California through several approaches:

 - Encouraging companies to expand facilities to inland parts of the state, not to locations outside of California.
 - Facilitating peer-to-peer learning between regions and communities, such as through High Speed Rail station cities convenings.
 - Encouraging philanthropy and investors to put resources into inland California, such as by establishing a new investment fund and leveraging opportunity zones.
 - Encouraging tourists and visitors to travel to all parts of California, and exploring the creation of Sister Cities within California.
- 3 Improving Connections Across Regions to Link California**

Regions Rise Together will enhance interconnectedness throughout the state. It will assist in realizing an integrated statewide rail system that leverages the backbone of high-speed rail, supporting integration of the state's public higher education systems, and promoting expanded access to broadband, especially in rural areas. Regions Rise Together will explore new tools for infill and urban revitalization, and for further preserving natural and working lands.

JOIN US SO ALL
Regions Rise Together!



For more information, please email Mikel Davila at mikel.davila@gobiz.ca.gov.

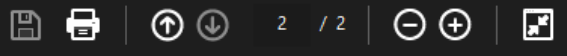
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Appendix J
Flyer for 2019 California Economic Summit





REGIONS RISE TOGETHER

The 2019 California Economic Summit takes place in Fresno on November 7-8, marking the eighth annual gathering of private, public and civic leaders from across California's diverse regions. The Summit's bipartisan network of business, equity, environmental and civic organizations is unique in championing solutions that meet the triple bottom line—simultaneously growing the economy, improving environmental quality and increasing opportunity for all.

The **2019 Roadmap to Shared Prosperity**, based on the input of more than 500 community leaders at the 2018 Summit in Santa Rosa, combines the best thinking and strategies for ensuring all Californians have the building blocks of the California Dream:

- **Health and Well-being**
- **Housing, Mobility and Connectivity**
- **Lifelong Learning**
- **Ecosystem Vitality and Working Landscapes**
- **Prosperous Economies, Thriving Workers**
- **Effective Governance and Robust Democracy**
- **Inclusive Communities**

Summit-specific initiatives for 2019 include Elevate Rural CA, Strong Workforce and the Regions Up Prosperity Strategy.

CONNECTING YOUR BRAND

The California Economic Summit serves as a networking forum for civic innovators and policy leaders throughout the state. As a sponsor, your organization will:

- **Contribute to meaningful solutions** emerging from a robust convergence of ideas and a diverse set of perspectives
- **Inform those influential** in accelerating the impact of your mission

#RegionsRiseTogether

www.CAEconomy.org

The Event

The two-day Summit is designed to accelerate coordinated implementation of the **Roadmap** action plans and strengthen the Summit network.

Thursday, November 7

Interactive plenary and breakout sessions to advance Summit goals. Box lunch and evening reception included.

Registration: \$250*

Friday, November 8

Plenary session featuring state policy leaders with regional business and civic leaders on critical issues facing California

Participants in past Summits include Governor Gavin Newsom, Controller Betty Yee, Treasurer John Chiang, UC President Janet Napolitano, Chancellor Eloy Ortiz Oakley and dozens of legislative members. Buffet breakfast and seated lunch included.

Registration: \$250*

Registration opens August 1 at www.CAEconomy.org.

For more information contact info@caeconomy.org

*20% discount for early bird registration through September 1, 2019.

Appendix K

Population Rankings of Inland Empire Communities

California Cities Ranked by 1/1/2019 Total Population			
Rank Among All CA Cities	City	County	Population
1	Los Angeles	Los Angeles	4,040,079
2	San Diego	San Diego	1,420,572
3	San Jose	Santa Clara	1,043,058
12	Riverside	Riverside	328,101
17	San Bernardino	San Bernardino	219,233
20	Fontana	San Bernardino	212,078
22	Moreno Valley	Riverside	208,297
25	Rancho Cucamonga	San Bernardino	179,412
26	Ontario	San Bernardino	178,268
31	Corona	Riverside	168,101
49	Victorville	San Bernardino	126,543
52	Murrieta	Riverside	118,125
60	Temecula	Riverside	113,826
68	Rialto	San Bernardino	107,271
70	Jurupa Valley	Riverside	106,318
80	Hesperia	San Bernardino	96,362
84	Menifee	Riverside	93,452
91	Indio	Riverside	89,406
100	Hemet	Riverside	84,754
101	Chino Hills	San Bernardino	84,364
112	Upland	San Bernardino	78,481
115	Perris	Riverside	76,971
120	Apple Valley	San Bernardino	73,464
137	Eastvale	Riverside	66,078
146	Lake Elsinore	Riverside	62,949
163	Highland	San Bernardino	55,778
166	Cathedral City	Riverside	54,907
167	Yucaipa	San Bernardino	54,844
168	Colton	San Bernardino	54,391
172	Palm Desert	Riverside	53,625
184	San Jacinto	Riverside	48,878
186	Palm Springs	Riverside	48,733
188	Beaumont	Riverside	48,401
191	Coachella	Riverside	46,351
203	La Quinta	Riverside	42,098
210	Montclair	San Bernardino	39,563

221	Wildomar	Riverside	36,066
232	La Verne	Los Angeles	33,201
240	Banning	Riverside	31,044
250	Desert Hot Springs	Riverside	29,251
251	Twentynine Palms	San Bernardino	28,958
265	Norco	Riverside	26,386
278	Loma Linda	San Bernardino	24,335
282	Barstow	San Bernardino	24,150
291	Yucca Valley	San Bernardino	22,050
306	Blythe	Riverside	19,428
309	Rancho Mirage	Riverside	18,489
348	Grand Terrace	San Bernardino	12,654
367	Canyon Lake	Riverside	11,285
381	Calimesa	Riverside	9,159
424	Big Bear Lake	San Bernardino	5,461
427	Indian Wells	Riverside	5,445
428	Needles	San Bernardino	5,085

Appendix L

The Role of Small Business within the Economy

California's dominance in many economic areas is based, in part, on the significant role small businesses play in the state's \$2.9 trillion economy. Two separate studies, one by the U.S. Census Bureau and another by the Kaufman Foundation, found that net job growth was strongest among businesses with less than 20 employees. Among other advantages, small businesses are crucial in the state's international competitiveness and are an important means for dispersing the positive economic impacts of trade within the California economy.

- In 2016 (most recent data), of the 4.2 million establishments in California, there were 3.2 million **nonemployer establishments** as compared to 922,000 employer establishments.
- The top three industry sectors with the largest number of nonemployer sole proprietorships included professional, scientific, and technical services (507,000 establishments); transportation and warehousing (297,000); and real estate and rentals (271,000).
- Total establishments revenues for nonemployer sole proprietorships, across all industry sectors, were \$113 billion in receipts in 2016.

As these non-employer businesses grow, they continue to serve as an important component of California's dynamic economy.

Excluding sole proprietorships, businesses with less than 20 employees comprise over 88.3% of all businesses and employ approximately 18.2% of all workers. Businesses with less than 100 employees represent 97.3% of all businesses and employ 35.8% of the workforce. These non-employer and small employer firms create jobs, generate taxes, support important industry sectors, and revitalize communities. Since the recession, these businesses have become increasingly important because they are more flexible and well-suited to meet niche foreign and domestic market needs.

However, the small size of microenterprises and other small businesses also result in certain market challenges, including having difficulty in meeting the procedural requirements of the state's complex regulatory structure and the traditional credit and collateral requirements of mainstream financial institutions. Specialized technical assistance, access to credit enhancements, and targeting of state procurement activities help many small businesses overcome or at least minimize these difficulties.

The 2012 Survey of Business Owners

In August 2015, the U.S. Department of Census published initial data from the 2012 Survey of Business Owners. The last survey was made in 2007. While the data significantly trails real-time, it is the most comprehensive source for tracking trends in entrepreneurship, including ownership by women and individuals of color.

The Gender Differences in U.S. Businesses chart (below) shows selected data from the 2012 Survey of Small Business Owners. Among other findings, the data shows a 27.5% increase in woman-owned businesses between 2007 and 2012, as compared to a 7.9% increase in businesses owned by men and a -45.8% decrease in firms owned equally by men and women. Woman-owned businesses also experienced the greatest increases in the number of people they employed and in wages paid.

States with the highest percentage of woman-owned firms included the District of Columbia, Georgia, Maryland, New Mexico, and Florida. Delaware, Alaska, North Dakota, Maine, and New Jersey were the states where woman-owned firms collected the highest amount of receipts.

Women entrepreneurs, according to the Ewing Marion Kauffman Foundation, have unique skill sets, which set them apart from other business owners and set them up for success.

Gender Differences in U.S. Businesses: Percent Change Between 2007 and 2012			
	Percent Change 2007-2012, Woman- Owned Firms	Percent Change 2007-2012, Man-and- Woman-Owned Firms	Percent Change 2007-2012, Man- Owned Firms
U.S. Firms	27.5%	-45.8%	7.9%
Receipts from all firms (employer and nonemployer)	35.1%	6.7%	33.8%
Employer Firms	15.7%	-25.8%	5.3%
Receipts from Employer Firms	35.4%	13.2%	34.9%
Employment	19.4%	-11.9%	11.5%
Payroll	35.3%	-0.9%	25.8%
Source: National Women's Business Council			

Among other advantages, the Kauffman Foundation states that women entrepreneurs have a more nuanced understanding of a business' risk/reward profile. Women are more comfortable with financial risks but more sensitive about risks that may seem foolhardy. The Kauffman Foundation also believes that there is a correlation between a rise in women entrepreneurs and increased business returns and payout ratios.

In California, business ownership by women was up 13.7%, which was the highest among states with the largest number of woman-owned businesses. In Texas, woman-owned businesses were up 8.7%; Florida, 8.18%; New York, 7.3%; and Illinois, 4.23%. California also had the highest number of Hispanic and Asian American woman-owned firms. For businesses owned by Black women, Georgia had the largest number of firms, and California had the fifth largest number.

The Comparison of Business Growth by Race, Ethnicity, and Veterans chart shows additional information from the 2012 Survey of Business Owners relative to race and ethnicity. The largest percentage changes in business ownership were by Hispanic women, where the number of firms grew by 87.3% between 2007 and 2012. As a comparison, male Hispanic-owned firms grew by 39.3%.

Comparison of Business Growth by Race, Ethnicity, and Veterans	
Business Ownership	Percent Change 2007-2012, Number of All Firms
Asian American Women	44.3%
Asian American Men	25.7%
Black Women	67.5%
Black Men	18.8%
Hispanic Women	87.3%
Hispanic Men	39.3%
White Women	10.1%
Veteran Women	29.6%
Veteran Men	7.7%
Source: 2012 Survey of Business Owners	

Appendix M
State of Immigrants in the Inland Empire

State of Immigrants in the Inland Empire

APRIL 2018



EXECUTIVE SUMMARY

One in five residents in the Inland Empire is an immigrant. Migration has been a central feature of the region for centuries, and there are now nearly 1 million immigrants living in Riverside and San Bernardino counties. As in decades past, the region's economic strength and cultural vitality depends on the contributions of immigrants and native born alike.

At the same time, the incorporation of immigrant communities in the region cannot simply be assumed or taken for granted. The Inland Empire is vast, encompassing over 27 million square miles, an area larger than ten states. In addition, the immigrant population in the region is diverse with respect to national origin, occupation, and areas of settlement.

State of Immigrants in the Inland Empire sets forth the history, resources, and partnerships that support the pressing issues and needs of immigrants in the region. It calls forth key policy issues that have affected—and continue to affect—local immigrant communities. As the region continues to grow, it is important to examine key issues pertaining to its immigrant communities, including poverty, education, employment, and social service needs.

This report provides a brief overview of immigrant communities in the region and their historic, economic, and social contributions, as well as key demographic characteristics and policy considerations. It also highlights various organizations serving immigrant communities in the region and offers personal stories from immigrants voicing their issues and concerns.

State of Immigrants in the Inland Empire is part of an evolving partnership between UC Riverside's Center for Social Innovation, California Immigrant Policy Center, and the Inland Coalition for Immigrant Justice. This report highlights the uniqueness of the Inland Empire, the vibrancy of its immigrant communities, and key data-driven strategies on immigration policy priorities and opportunities.

Our aim is to provide a solid foundation of data and shared understanding, to better inform the work of public, for-profit, and nonprofit enterprises in the region. For more data and resources on immigrant communities in the region, please visit socialinnovation.ucr.edu/immigrants.

TOTAL POPULATION, 2016

4,527,837

IMMIGRANT POPULATION

972,476

IMMIGRANTS IN RIVERSIDE COUNTY

520,760

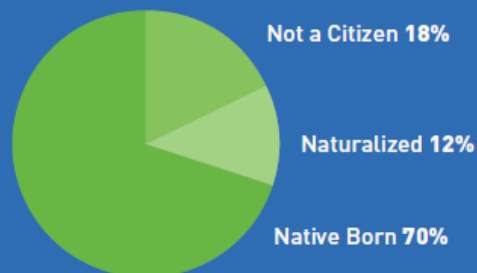
IMMIGRANTS IN SAN BERNARDINO COUNTY

451,716

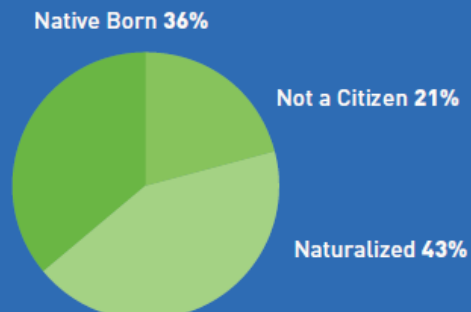
Source: 2016 American Community Survey 1-Year Estimates

CITIZENSHIP STATUS

LATINO



ASIAN



Source: 2016 American Community Survey 5-year PUMS

Appendix N

Sample of Inland Empire Initiatives

Sampling of Inland Empire Initiatives for the Regions Rise Together Working Session (Sept 2019)

THEME 1: EXPANDING MIDDLE-SKILL JOBS

Generation Go/Vision2Succeed: SB County Workforce Development initiative to connect K-12 schools, community colleges and businesses to create and enhance career pathways and provide hands-on training	<i>Mariann.Johnson@wdd.sbcounty.gov</i>
MARS Career Promise: Pre-apprenticeship pilot project at the March Joint Powers Authority	<i>Danielle Wheeler wheeler@marchjpa.com</i>
Slingshot Initiative: Collaborative effort between the two County Workforce Development Boards to address healthcare worker shortage by engaging health institutions to identify current/future needs.	<i>Diana Fox, diana@we-reachout.org</i>
San Manuel Gateway College: Loma Linda University certificate programs for medical and nursing assistants, pharmacy and surgical tech, and promotores	<i>Arwyn Wild, awild@llu.edu</i>
LAUNCH (Local Apprenticeships Uniting a Network of Colleges and High Schools): Aims to significantly expand apprenticeship pathways (supervised on the job training and related technical instruction) that align with business needs	<i>Charles Henckels, charles.henkels@norcocollege.edu</i>
Consortium for Excellence in Logistics: Aims to position the region as a leader in supply chain and logistics innovation, improving by an order of magnitude the economic, environmental and societal efficiency and sustainability of the way physical objects are moved, deployed, realized, supplied, designed, and used	<i>Paul Granillo pgranillo@ieep.com</i>
Inland Economic Growth and Opportunity (IEGO): An intentional network of business, government, educational and nonprofit institutions working to align workforce and economic development efforts in growing industry sectors such as logistics, cyber security, air emissions and environmental technology, and advanced manufacturing	<i>Michelle Decker mdecker@thecommunityfoundation.net</i>

THEME 2: EXPANDING HIGH-SKILL JOBS AND RESEARCH COMMERCIALIZATION

Cybersecurity Center, Cal State San Bernardino (also Theme 1): Top national program in cybersecurity education, designated as a Center of Academic Excellence in Information Assurance and as a Center of Academic Excellence in Cyber Defense/Information Assurance by the U.S. government.	<i>Tony Coulson, tcoulson@csusb.edu</i>
Riverside ExCITE and EPIC SBDC: ExCITE is a tech incubator developed in partnership with UC Riverside and the City and County of Riverside; EPIC SBDC provides early stage tech entrepreneurs with specialized consulting, training programs and workshops, access to capital and SBIR/STTR assistance.	<i>Rosibel Ochoa, rosibel.ochoa@ucr.edu; Scott Brovsky, scott.brovsky@ucr.edu</i>
Biotechnology: \$150 million research facility at UCR that includes region's first wet lab incubator (\$5 million). Biotech incubator at Loma Linda University (est. 2016) with 8 firms receiving support.	<i>Rosibel Ochoa at UCR, Michael Samardzija, msamardzija@llu.edu</i>
ESRI Startup Support Program: Global 3-year program that helps startups build mapping and location intelligence into their products and businesses. The program provides access to Esri online services, software, development tools, ready-to-use content, training, support, and co-marketing opportunities.	<i>Martin Copping, mcopping@esri.com</i>
IE Innovation Ecosystem (IE-Squared): Emerging initiative to better connect regional efforts in promoting high-tech industry clusters, from information technology to biotech and green tech; includes collaboration with FUSECorps and County EDAs on Opportunity Zone developments	<i>Rosibel Ochoa, Paulette Brown-Hinds, Karthick Ramakrishnan. Contact karthick@ucr.edu</i>

Sampling of Inland Empire Initiatives for the Regions Rise Together Working Session (Sept 2019)

THEME 3: GREEN TECH AND SUSTAINABILITY CLUSTER

California Air Resources Board (CARB) Ecosystem (also Theme 1): Effort to build an innovation cluster around air quality and emissions control, leveraging the region's assets including the UCR Center for Environmental Research & Technology (CERT) with \$29 million in active awards, and a \$368 million investment to build the Southern CA headquarters of the California Air Resources Board (CARB), opening in Spring 2021	<i>Robert Field, RFIELD@rivco.org Cindy Roth, croth@riverside-chamber.com</i>
Riverside Sustainability Innovation Cluster: Aims to better connect and leverage investments in advanced agriculture (including precision agriculture and Grow Riverside), advanced energy (including solar and battery storage), and advanced transportation (including CARB, CERT, and related research assets in the region)	<i>Gillian Wilson, UCR gillianw@ucr.edu</i>

THEME 4: CRADLE TO CAREER

Growing Inland Achievement (also Themes 1 and 2): Aims to align regional educational policy initiatives via a cradle-to-career model, including increasing baccalaureate, associate, certificate, and credential attainment by 15% within 5 years; increasing baccalaureate graduation by 10%; and improving career preparedness through strengthened industry partnerships	<i>Carlos Ayala, carlos@inlandempiregia.org</i>
One Future Coachella Valley: Cradle-to-career initiative operating in the Coachella Valley since 2005, and advancing a regional plan to increase high school, college, and higher skills training completion, college and career readiness, and the number of local students with higher wage jobs	<i>Sheila Thornton, sheila@onefuturecv.org</i>
Scaling up Guided Pathways: 5-year strategic implementation plan for region-wide adoption of guided pathways, plus testing an intermediary solution for student case management to foster timely advising and degree completion	<i>Wolde-ab Isaac, wolde-ab.isaac@rccd.edu</i>

Several other regional initiatives in the cradle-to-career framework have been supported by awards from Growing Inland Achievement, see <http://inlandempiregia.org>

THEME 5: INNOVATIONS IN PLANNING (TRANSPORTATION, ENVIRONMENT, HOUSING)

Redlands Rail Project: Hybrid trains that can run on existing Metrolink tracks; advancing toward zero-emission electric trains, first of their kind in North America	<i>Ray Wolfe, rwolfe@gosbcta.com</i>
Dynamic Mobility Management Systems Consortium (DyMMS): Aims to revolutionize operation of vehicle and transportation systems by leveraging innovations in automation, distributed computing, connectivity, electrification and shared mobility	<i>Matt Barth, barth@cert.ucr.edu</i>
Alianza for Environmental Justice (Salton Sea): Campaign to strengthen community voice and influence on the future of the Salton Sea, through community science, storytelling, and advocacy	<i>Silvia Paz, silvia@alianzacv.org</i>

In addition, the Strategic Growth Council has awarded grants of \$20 million to San Bernardino and \$35 million to Ontario, and efforts like Lift to Rise are innovating in the provision of social services and housing (Coachella Valley).

THEME 6: STRONGER NONPROFITS AND COLLECTIVE IMPACT

Inland Empowerment: Coalition of civic engagement organizations engaged in data-driven strategies to empower historically ignored and disenfranchised communities.	<i>Michael Gomez-Daly, michael@inlandempowerment.org</i>
Inland Coalition for Immigrant Justice: Coalition of 35 organizations that engages in policy advocacy, community organizing and education, and rapid response operations	<i>Javier Hernandez, javier@ic4ij.org</i>
Inland Empire Capacity Builders Network (IECBN): Network of nonprofit capacity building organizations, hub for learning, support, and coordination	<i>Susan Gomez, sgomez.iecc@gmail.com</i>
I.E. Complete Count Committee: One of the few Census 2020 outreach efforts in the United States that involves the collaboration of two county governments, plus researchers, nonprofits, and businesses	<i>Karthick Ramakrishnan, karthick@ucr.edu</i>

Appendix O

Biographies of Speakers (Alphabetical Order)

Below are biographies of the witnesses participating in the informational hearing on upward mobility in the Inland Empire. The biographies are listed in alphabetical order.

Amber Bolden, Senior Project Manager, California Forward

Amber began her career working for the Baltimore City Mayor's Office of Employment Development in 2009. She worked specifically with youth, young adults and individuals who had been charged with criminal offenses to find employment and job training opportunities. Amber's experience working in employment development during the height of the recession deepened her understanding of the direct relationship between work and community. She also received recognition for her work in facilitating job training and placement that was funded through the American Recovery and Reinvestment Act.

Amber lives and works in Riverside County. She participated in the Western Riverside Council of Governments' Public Service Fellowship Program while pursuing her master's degree. Before joining California Forward, she worked with the Western Municipal Water District as a communications specialist. Her work in Riverside County has provided her with a sincere appreciation for the community assets and opportunities within the region.

Amber was born and raised in Baltimore, Maryland. She earned her bachelor's degree in journalism from the University of Maryland, College Park. She also earned her master's degree in public policy from the University of California, Riverside. She is a member of Delta Sigma Theta Sorority, Incorporated. She is also a doula and a member of the Sankofa Birth-workers of the Inland Empire.

Matthew Horton, Associate Director, Center for Regional Economics, Milken Institute

Matt Horton is an associate director of the Milken Institute Center for Regional Economics & California Center. In this capacity, he interacts with government officials, business leaders, and other key stakeholders in directing statewide programming and policy initiatives while implementing the Center's strategic plan. He also analyzes policy developments at the local, state and federal levels while monitoring national and global trends for potential impacts throughout the regional economic landscape. Horton works to enhance the center's impact through its efforts to identify, promote, and scale best practices in public policy.

Horton's programmatic work at the Institute is focused on identifying a variety of financial tools, policies and collaborative models that leaders can deploy in order to increase investments toward education, community development and in other areas supporting human capital. Horton looks for establish best practices and conducts research that can inform effective governance practices and position leaders to explore place-based economic development through increases in housing supply, supporting high-quality job growth while prioritizing improvements throughout the built environment. Recently, he has written on how the opportunity zone tax incentive can help build a more inclusive economy.

Previously, Horton worked for the Southern California Association of Governments, the nation's largest metropolitan planning organization. Horton served as the primary point of contact for external and government affairs coordinating regional policy development with elected officials as well as sub-regional,

state, and federal stakeholders in Los Angeles and Orange counties. In this role, coordinating with leaders across Southern California in developing plans to address growth, resiliency, and improve quality of life.

Elsa E. Macias, Ph.D., Consultant, Hispanas Organized for Political Equality (HOPE)

Dr. Macias consults on research and policy projects related to information technology policy, education, STEM education, and on Latinx issues. Her clients include the Massachusetts Institute of Technology (MIT), the National Center for Women & Information Technology (NCWIT), UC Irvine, the University of Illinois at Urbana-Champaign, CSU Fullerton and Hispanas Organized for Political Equality (HOPE). Dr. Macias was previously at the Rossier School of Education at the University of Southern California (USC), where she was an Associate Research Professor. She focused on data-based decision-making to increase excellence and equity in student outcomes at colleges and universities, organizational learning and change, and diversity in higher education. Prior to that, Dr. Macias oversaw the research agenda on information technology policy at the Tomás Rivera Policy Institute, affiliated with the Claremont Graduate University and USC, where she established a national reputation as an expert on the use and diffusion of technology in diverse populations.

Dr. Macias has briefed elected officials at the federal, state, and local levels, including the Congressional Hispanic Caucus. She has served in an advisory capacity to the National Academy of Sciences (NAS), the Partnership for 21st Century Skills, The Children's Partnership, the International Society for Technology in Education (ISTE), IBM's La Familia Technology Week, and the Center for Media Education (CME). She is a member and past Chair of the Social Science Advisory Board of NCWIT, and she was recognized in the HITEC (Hispanic Information Technology Executive Council) 100 list of the nation's top Hispanic executives and rising stars in information technology for 2008 and 2009. Her research has been funded by the National Science Foundation, the W. K. Kellogg Foundation, IBM, Verizon, and the U.S. Department of Commerce, among others.

Dr. Karthick Ramakrishnan, Chair of the Center for Social Innovation, University of California, Riverside

Karthick Ramakrishnan is professor of public policy and political science at the University of California, Riverside, and founding director of the Center for Social Innovation. He holds a BA in international relations from Brown University and a PhD in politics from Princeton.

Ramakrishnan is also a Board Member of The California Endowment, Chair of the California Commission on APIA Affairs, and Director of the Inland Empire Census Complete Count Committee. Ramakrishnan directs the National Asian American Survey and is founder of AAPIData.com, which publishes demographic data and policy research on Asian Americans and Pacific Islanders. He has published many articles and 6 books, including most recently, *Framing Immigrants* (Russell Sage, 2016) and *The New Immigration Federalism* (Cambridge, 2015), and has written dozens of opeds and appeared in over 1,000 news stories. He was recently named to the Frederick Douglass 200 and is currently writing a book on state citizenship in the United States.

More information at <http://karthick.com>.

Molly Wiltshire, Assistant Director, San Bernardino County Workforce Development Board

Molly Wiltshire serves as the Assistant Director for the San Bernardino County Workforce Development Board, where she oversees the department's initiatives to build a relevant and responsive workforce to meet the region's growing industry needs. Ms. Wiltshire's experience includes work at various levels of government, including six years with the County. Most recently, she served as the Chief of Staff for a former Third District County Supervisor. She earned a Bachelor of Arts in Government from the University of Redlands and a Master of Public Administration from California State University, San Bernardino. As a San Bernardino County native, she has witnessed the impact that regional initiatives have had in changing the lives of Inland Empire residents for generations to come.

End Notes

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