NCSL Standing Committee on Labor and Economic Development

POLICY DIRECTIVES AND RESOLUTIONS

2019 NCSL Legislative Summit
Nashville, Tennessee

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WHEREAS, EB-5 is the designation for the fifth employment-based preference immigrant visa category established by Congress in 1990; and

WHEREAS, Congress established the Immigrant Investor Pilot Program in 1992 to create regional centers which aid foreign investors, by directing and professionally managing their investments while concentrating pooled investments in defined distressed economic zones; and

WHEREAS, EB-5 allocates 10,000 visas annually to foreign investors and their families who invest at least $1 million (or $500,000 in a targeted employment area) which must generate at least 10 jobs; and

WHEREAS, EB-5 has become a vital source of regional economic development funds; and

WHEREAS, from FY1992 to present, qualified foreign investors from the EB-5 Program has generated more than $33.3 billion in capital investments for American communities; and

WHEREAS, that investment has supported over 171,000 American jobs, according to a Department of Commerce study; and
WHEREAS, at the end of Q1 FY2019, there were more than 1325,000 pending applications filed for EB-5 investors, representing nearly $642.5 billion in potential direct investments and 208400,000 American jobs; and

WHEREAS, according to the latest economic impact study, the EB-5 Program accounted for nearly $12 billion in foreign direct investment between FY2014 and FY2015, contributing $55 billion to the U.S. economic output and supporting more 355,000 American jobs; and

WHEREAS, the EB-5 Program had record-breaking capital formation in FY2015 and Q1 FY2016 with over $4.3 billion and $628.5 million in foreign direct investment respectively; and

WHEREAS, on March 23, 2018- on February 15, 2019 Congress passed legislation to reauthorize the EB-5 Regional Center Program through September 30, 2019; and

WHEREAS, states and localities are working with private parties to use EB-5 foreign direct investment to finance job creating projects; and

WHEREAS, the rationale behind the EB-5 Program is to create jobs, so those jobs, including construction jobs lasting less than two years, should meet or exceed local wage, benefit and health and safety standards and help strengthen the communities deemed to be in need of economic stimulus and workforce development; and

WHEREAS, the law allows for state and local level input in designating targeted employment areas for EB-5 development, and incentivizing state and local oversight and cooperation on specific projects within those targeted employment areas would help ensure compliance with community and industry labor standards; and
WHEREAS, the EB-5 Program is in need of reform to increase accountability and
transparency and enhance program integrity, including through requirements that
Regional Centers publicly disclose annually for each project details on job creation
methodology, prevailing wage, living wage, and other labor standards, if applicable;

WHEREAS, USCIS should annually publish a list of New Commercial Entities approved
for EB-5 investment;

WHEREAS, USCIS should effectively monitor EB-5 projects to prevent fraud and
ensure that jobs are created, and workers are protected by having clear requirements
prior to regional center designation and project approval, as well as by conducting
regular oversight, including site visits to projects;

WHEREAS, any effort to extend or make permanent the EB-5 regional center program
must balance investment in urban centers and rural areas in recognition of the potential
benefits of the program in both; and

WHEREAS, without Congressional action the EB-5 regional center program will sunset
on September 30, 2018.

NOW, THEREFORE, BE IT RESOLVED, that The National Conference of State
Legislatures urges Congress to reform the EB-5 program to ensure integrity and
appropriate oversight during reauthorization of the EB-5 regional center program
through legislation, ensuring any reform of the EB-5 regional center program maintains
the ability to deliver job-creating capital to American communities, including
mechanisms to ensure the creation of quality jobs, close loopholes, prevent Federal
officials or their family members from personally profiting off the program, bar
developers and contractors found to have violated local, state and federal laws,
including labor laws, from receiving EB-5 funding, improve processing systems to
address backlogged petitions, streamline approvals for all applications, and enhance
program integrity measures through improved reporting requirements and oversight that is not unduly burdensome.
Veterans Affairs
NCSL recognizes that the U.S. Department of Veterans Affairs (VA) provides benefits and services to veterans of America’s armed forces, including a number of specialized programs for disabled, minority, homeless, and women veterans. NCSL supports and urges Congress and the President to protect VA funding of benefits for veterans from budget cuts.

NCSL further urges Congress to provide funding to streamline the VA processes for securing all benefits in a timely manner for those veterans coming home from deployment, including appropriate health care for physical injuries and psychological wounds.

Federal Impact Aid
NCSL recognizes that School districts with military installations are potentially disadvantaged because of their inability to levy taxes against the federal government. NCSL recognizes the importance of Federal Impact Aid to help offset the loss of tax revenue and supports continued funding of the program.

Federal Funding Cuts and Base Realignment and Closing (BRAC)
When closing, or considering property transfers in a BRAC, NCSL supports federal grant incentives for community involvement during the re-development of bases.

Employment of Veterans
Regarding matters of labor and employment for veterans, the federal government should continue its partnership with states to assist veterans in their transition from military service to the civilian workforce. NCSL supports programs of the Small
Business Administration (SBA) that help veteran-owned businesses. NCSL also supports and encourages federal assistance, including training and tax credits, for employers who hire veterans into their workforce.

**Educational Assistance and GI Bill**
NCSL urges Congress to fund, as authorized, all programs associated with educational opportunities for returning veterans to have those benefits equivalent to the GI Bill of previous years.

**Preserve the Army National Guard and the Air National Guard**
The National Conference of State Legislatures (NCSL) recognizes that the Army National Guard (ARNG) and the Air National Guard (ANG) are vital tools for helping states manage and respond to emergencies and natural disasters at home and abroad. With congressional reauthorization pending, a strong ARNG ensures an operational resource and a strategic reserve for our active duty military branches in combat roles overseas, as well as adapting to complex missions domestically.
NCSL urges the federal government to maintain current funding levels for the ARNG in order to preserve their highly regarded capabilities and to ensure that they are always prepared for duties in the states and abroad in service to our country.
NCSL recognizes that any effort to reduce our nation’s federal deficit requires reductions across all federal agencies. However, reductions should not be made without a thorough review of the overall Army force structure across the active, Guard and Reserve components.
NCSL further urges that any congressional or Department of Defense review of the Army structure, including the role of the ARNG, includes appropriate input from state policy makers.
NCSL also opposes any effort to preempt domestic control of the ARNG from state authority.
Services being provided to our veterans should also include members of the ARNG to help them transition into society and have equal access to job training and other benefits.

Furthermore, NCSL supports equipment return, replacement, and upgrade to address destroyed material left abroad during deployment.

**Service Dogs for Veterans**

U.S. service members deployed into combat zones often face physical, mental, and emotional challenges as they make their return home. One of the tools being used to successfully support these veterans and mitigate the difficulties they face is service dogs. They not only assist in daily tasks for those with physical impairments – their use as support animals for soldiers with conditions such as post-traumatic stress disorder is growing as well.

NCSL recognizes the need to ensure that the use of these canine companions is supported and expanded across the country for our returning veterans, including members of the states’ National Guard. For this reason, NCSL supports federal policies that promote the use of these service animals. Specifically, NCSL commends the work being done on the Wounded Warrior Service Dog Act. This bill supports the study and use of service dogs for veterans – and NCSL urges its passage.

NCSL further calls upon Congress to enact legislation that would permit the Veterans Administration to consider certain costs associated with a certified service dog as a reimbursable medical expense.

**Compact of Free Association**

The National Conference of State Legislatures (NCSL) urging Congress and the United States Department of Veterans Affairs to work together to develop a program or pass legislation to provide veterans from Compact of Free Association nations with access to high-quality medical care within their respective communities.
The United States government entered into a Compact of Free Association (COFA) agreement with the Federated States of Micronesia, Republic of Palau, Republic of the Marshall Islands, and Commonwealth of the Northern Mariana Islands.

Citizens of COFA nations are eligible to enlist in the United States armed services, and over the years, the United States has vigorously recruited Pacific Islanders from COFA nations to serve in the United States military.

Pacific Islanders from COFA nations have a long and distinguished history of military service stretching back to World War II.

Upon completing their military service and returning to their respective communities, veterans from COFA nations are unable to secure Department of Veterans Affairs services, especially Department-approved basic medical services, which are non-existent in their own communities.

Veterans from COFA nations must fly to Hawaii, at enormous cost to their personal financial well-being, to obtain proper medical care at Tripler Army Medical Center. NCSL urges Congress and the United States Department of Veterans Affairs to work closely to develop a program or pass legislation to provide veterans from Compact of Free Association nations with access to high-quality medical care within their respective communities.