

## The Economic Justice Act

*A new \$350 billion proposal from Senate Democrats to address systemic racism and historic underinvestment in communities of color.*

Today, Senate Democrats are announcing a major new legislative proposal to make **\$350 billion in immediate and long-term investments in communities of color**. For far too long, Congress has underfunded critical priorities like public health, child care, infrastructure, and job creation in these communities. Our new plan would make a historic federal commitment to communities of color through ten major investments over the next five years. Senate Democrats said this was an important down-payment to answer the calls to address systemic racism and historic underinvestment in communities of color.

The first objective of the proposal is to immediately help communities of color respond to the pandemic through a **\$135 billion investment in child care, mental health and primary care, and jobs**. The second objective of the proposal is building long lasting wealth and health in these communities over the next five years by investing **\$215 billion for infrastructure, a homeowner down payment tax credit, Medicaid expansion, and more**.

Federal underinvestment in communities of color has created systemic disparities that cross nearly every sector. These communities now bear a disproportionately severe burden of the COVID-19 pandemic and economic recession. But at the same time, Wall Street investors and billionaires continue to rake in profits. The Senate Democrats' new Economic Justice Act would seek to partially offset the cost of the proposal by re-programming \$200 billion of unspent funds from the CARES Act – the so-called Title IV Funds, laid out in Section 4003- that were previously provided to the Department of Treasury to facilitate corporate lending by the Federal Reserve.

This proposal would be in addition to the historic House-passed Heroes Act, not a replacement. The Heroes Act makes other critical, emergency investments – like rental assistance, hazard premium pay, and more - to directly deal with the COVID-19 crisis. Instead of allowing hundreds of billions of dollars in government assistance to sit idly at the Treasury, Senate Democrats said they would seek to re-program these dollars during negotiations for a fourth COVID-19 bill, in tandem with the robust provisions of the House's Heroes Act.

Through ten new initiatives, the Senate Democrats' proposal would begin our efforts to reverse decades of underinvestment in these communities.

<b>IMMEDIATE INVESTMENTS</b>		
Child Care is Essential Program	Invest in and stabilize child care providers in communities, including communities of color. Ensure that working families have access to child care, and early childhood educators continue to get paid throughout the pandemic.	\$50 billion

Expand and Improve Access to Community Health Care	Support community-based behavioral, mental, and primary health care providers and services to increase access to care and incentivize providers to serve in high need areas, including communities of color.	\$40 billion
Federally Supported Jobs, Training and At-Risk Youth Initiatives	Connect workers to in-demand jobs, like new contact tracing and immunization hiring programs and federal job training programs, including adult education and supported jobs programs, training for disconnected youth, registered apprenticeship, and aligned pre-apprenticeship training, and training and wrap-around services provided by community organizations. Create a Pandemic TANF emergency assistance grant program that would provide cash assistance, in-kind support, and subsidized jobs to low-income individuals and families. Invest in the Child Abuse Prevention and Treatment Act and reform child support.	\$25 billion
Capital and Support for Small Businesses	Make investments in community-focused lenders to facilitate more lending to small businesses in communities of color. Permanently authorize and expand programs offered by the MBDA as well as the SBA, including the 7(a) Community Advantage and the PRIME programs. Provide tax incentives for new small businesses.	\$17 billion for Capital + Support  \$3 billion PROGRESS Act (2 years)
<b>TOTAL</b>		<b>\$135 billion</b>

<b>LONG-TERM INVESTMENTS AND POLICY</b>		
Down Payment on Building 21 <sup>st</sup> Century Infrastructure	High-speed Internet, Affordable Housing, Community Development Investment, K-12 Public School/Library/MSI Construction, and Environmental Justice.	\$115 billion and policy reforms
New Homeowner Down Payment Tax Credit	With historically low interest rates for home mortgages, provide \$15,000 per family to expand access to homeownership.	\$40 billion
Renters and Low Income Housing Tax Credits	Reduce rent and utilities to 30% of income for low-income individuals and families and build new low-income rental properties.	\$25 billion over 5 years (rent) + \$5 billion (LIHTC)
Expand Medicaid Coverage	Incent Medicaid expansion in non-expansion states.	\$15 billion
Address Maternal Mortality and Health	Expand comprehensive Medicaid coverage to all pregnant individuals for one-year postpartum; fund grant programs to implement maternal safety standards; improve access to midwife and doula services; and more.	\$15 billion
10-20-30 Anti-Poverty Initiative and Hiring and Contracting Opportunities	Require a greater share of federal community and economic development funding go to communities with "persistent" and high poverty rates and create opportunities in federally-funded infrastructure projects for local hiring in communities of color and contracts for disadvantaged businesses.	No cost policy changes.
<b>TOTAL</b>		<b>\$215 billion</b>