



RESTORE THE AMERICAN DREAM FOR THE 99 % ACT

Background

After repeated efforts by conservative Washington politicians to reenact the same failed policies, Members of the Congressional Progressive Caucus (CPC) took action. CPC Members traveled across the country listening to the American people. Americans told us they want work and that cutting Social Security, Medicare, Medicaid, unemployment insurance and education is unacceptable. At the same time, they want big banks to help clean up the mess they made and they want millionaires and billionaires to pay their fair share.

Act for the 99%

This bill is a comprehensive package of emergency jobs legislation, sensible revenue raisers, cuts to unnecessary weapons platforms and measures to strengthen and protect Medicare, Medicaid and Social Security. The Act for the 99% **creates over 5 million jobs over the next two years** and **reduces the budget deficit by over \$2 trillion** over the next ten years while protecting the programs Americans rely on.

KEY JOBS CREATION PROVISIONS

- Creates direct hire programs to put Americans back to work now
- Provides grants for on-the-job training and employment services
- Invests \$50 billion in infrastructure and transportation projects
- Creates a National Infrastructure Bank
- Improves the “Buy America” provision
- Ends the practice of foreign currency manipulation
- Protects wounded veterans from employment discrimination
- Extends unemployment insurance--including for people at 99 weeks
- Supports the TANF Emergency Contingency Fund to help States pay for the cost of hiring unemployed workers

KEY REVENUE INCREASES AND SAVINGS

- \$1.2T by responsibly ending the wars in Iraq and Afghanistan
- \$800B from people making over \$1 million paying a fair share
- \$280B from cutting unnecessary defense and weapons programs
- \$350B in new taxes on Wall Street speculation and greed
- \$40B from eliminating give-aways to big oil companies
- \$20B in revenue from reinstating Superfund tax on polluters
- \$27B from protecting employees from misclassification of employment status

KEY PROTECTIONS FOR MEDICARE, MEDICAID AND SOCIAL SECURITY

- Adds a public option to the Affordable Care Act (\$88 billion in savings)
- Authorizes Medicare Part D to negotiate drug prices (\$156 billion in savings)
- Enhances and extends Medicaid matching rates
- Lift of the Social Security cap

TITLE I: EMERGENCY JOB CREATION TO PUT AMERICA BACK TO WORK

Title I of the bill includes provisions to get America back to work as soon as possible. Below are summaries of each individual subtitles:

SUBTITLE A: Emergency Jobs to Put America Back to Work

- This section of the bill creates 2.2 million jobs through direct hire programs:
- **School Improvement Corps** – Creates 400,000 construction and 250,000 maintenance jobs by funding positions created by public school districts for necessary school rehabilitation projects (\$100B)
- **Park Improvement Corps** – Creates 100,000 jobs for youth between the ages of 16 and 25 through new funding for the Public Lands Corps Act. Conservation projects on public lands include restoration and rehabilitation of natural, cultural, historic, archaeological, recreational and scenic resources. (\$500M)
- **Civilian Conservation Corps** – Establishes a modern Civilian Conservation Corps which provides the President with the authority to carry out construction projects, maintenance and public works. (\$16B)
- **Student Jobs Corps** – Creates 250,000 more part-time, work study jobs for eligible college students through new funding for the Federal Work Study Program. (\$850M)
- **Neighborhood Heroes Corps** –
 - o **Teachers:** Funding for states to hire, re-hire, and prevent lay-offs of 300,000 teachers. (\$40B)
 - o **Cops:** New funding to hire 40,000 police officers. (\$10B)
 - o **Firefighters:** New funding to hire 12,000 firefighters. (\$2.4B)
- **Health Corps** - Grants to hire at least 40,000 health care providers, including physicians, nurse practitioners, physician assistants, nurses, and health care workers to expand access in underserved rural and urban areas. (\$8B)
- **Community Corps** – A new Community Corps that will create 750,000 jobs in our communities, including energy efficiency upgrades; recycling and reclamation of reusable materials; and programs that address blight, including foreclosure and disaster-affected areas, rural conservation work, public property maintenance, housing rehabilitation, and new affordable housing construction. (\$60B)
- **Child Development Corps** – Creates 100,000 jobs in early childhood development through additional funding for Early Head Start. (\$6B)
- **Job Training** – Awards grants to the Department of Labor for Employment and Training Administration ETA for on-the-job training and employment services (\$500M)

SUBTITLE B: Enhance ‘Buy America’ Provision

- This section increases the “Buy America” provision to 75% of all articles, materials, or supplies mined, produced, or manufactured for use in government contracts.

SECTION SUBTITLE C: Fairness and Transparency in Contracting to Protect Small Businesses

- This section creates new rules and procedures to ensure that government contracts that are slated for small businesses actually end up in the hands of small business owners and not the subsidiaries of much larger corporations.

SUBTITLE D: Creating an Infrastructure Bank

- **Creation of a National Infrastructure Bank:** creates a development bank for America, a government-owned corporation with an independent and objective Board of Directors to make final infrastructure financing determinations; an Executive Committee to handle the day-to-day operations of the Bank; and Risk Management and Audit Committees to carefully manage risk and monitor the bank’s activities.

- **Attracts Private Investment Toward Critical Infrastructure Projects:** The Bank Board has authority to issue federal bonds and provide funding to infrastructure projects. It facilitates the private sector partnering with regions, states and localities to borrow from the Bank while adding its own private equity.
- **Makes Objective Infrastructure Investments:** infrastructure projects are considered in the realm of transportation (i.e. highways, transit, rail and air travel), the environment (i.e. drinking and wastewater facilities); energy (i.e. renewable energy transmission and building efficiency); and telecommunications (i.e. broadband development).
- **Significant Infrastructure Investment:** The Bank is capitalized with authorized appropriations of \$5 billion a year for 5 years to the Treasury Secretary to purchase shares in the Bank and an additional \$225 billion available at the call of the Treasury Secretary if needed to meet Bank obligations. With a conservative 2.5:1 leverage authority, the Bank could mobilize up to \$625 billion in funding for projects.

SUBTITLE E: Ensuring our Wounded Veterans Keep Their Jobs

- Clarifies and strengthens the Uniformed Services Employment and Reemployment Rights Act (USERRA) to ensure that our veterans are not discriminated against in the workplace for time spent receiving treatment for injuries caused by their service. This legislation has been endorsed by the American Legion, the Reserve Officers Association, Disabled American Veterans, and Veterans for Common Sense.

SUBTITLE F-G: Extending Unemployment Insurance and Relief for the long-term unemployed

- This section extends unemployment insurance benefits through January 3, 2013. Further, this section will increase the length of unemployment eligibility from 99 weeks to 114 weeks to provide relief to the long-term unemployed. Unemployment compensation creates consumer demand to fuel the businesses that create jobs.

SUBTITLE H: Combating Foreign Currency Manipulation to Strengthen American Manufacturing

- This section applies a countervailing duty on imports from countries that unfairly manipulate the price of their currency to give them an edge in the worldwide trade market.

SUBTITLE I: Exempts emergency jobs spending from the Budget Control Act

- This section exempts emergency job creation from funding restrictions under the Budget Control Act for purposes of making emergency expenditures for emergency job creation.

SUBTITLE J: Protecting the Long Term Unemployed from Discriminatory Hiring Practices

- The longer someone is unemployed, the harder it is to find a good job. This section makes it a crime to refuse employment to an individual based on their past or present unemployment. Further, this section makes it a crime to state that unemployment status is a disqualifier for a job in a job posting and to request an employment agency to screen out applications based on their employment status.

SUBTITLE K: Train me and Pay me

- This section provides stipends for students enrolled in job training programs. The compensated employee-training grants will be used to seek out skilled, unemployed individuals in faltering or dying industries, train them in new, emerging fields such as green technologies, and provide compensation and public healthcare during their training programs.

SUBTITLE L: Building a 21st Century Infrastructure For America's Future

- This section provides up to \$50 billion dollars to rebuild our crumbling roads, bridges, rail lines and sewer systems. Money will also be made available to upgrade power lines, mass transit systems, Indian reservation roads, development and administration of transportation training programs and disadvantaged business enterprises. Funds to be obligated within two years of enactment.

SUBTITLE M: State Funding to Hire Unemployed Workers

- This section provides an extension of TANF Emergency Contingency Fund which provides states funding to help unemployed families find work and businesses expand capacity. Jobs are in the private, non-profit, and public sectors and span many types of work, including administrative, retail, construction, health services, and landscaping. In a difficult economic environment, and local economies cope with the recession.

SUBTITLE N: Repeal of New Discretionary Spending Limits

- This section repeals new spending caps triggered by failure of the Super Committee because legislation will achieve a larger deficit reduction target than mandated by the Budget Control Act. Lifting these artificial spending caps allows for proper budgeting for programs that employ Americans.

SUBTITLE O: Designates Title I as Emergency Job Creation

- Designates all appropriations made under Title I as being for the purpose of emergency job creation.

Title II: Responsible Savings and Fair Taxation

Title II finds cost savings and implements fair taxation policies to reduce the deficit and protect America's long-term fiscal health.

SUBTITLE A: Responsible End to the Wars in Iraq and Afghanistan

- America has spent over \$3 trillion in Iraq and Afghanistan over the past decade, with projections of up to another \$1.2 trillion over the next decade. This section states that it is the policy of the United States to ensure that funds made available for operations of the Armed Forces in Afghanistan are to be used only for providing for the safe and orderly withdrawal of all U.S. military personnel and DOD contractor personnel.

COST SAVINGS: APPROX. \$1.2 TRILLION¹

SUBTITLE B-D: Reductions in Military Spending and Unnecessary Costs

- This section eliminates Department of Defense programs and weapons systems that are either not necessary or not wanted. First, this section caps military spending for FY2011 to FY2008 levels. From FY2012-FY2016, this section restricts spending to the aggregate for the previous fiscal year, with exemptions for military personnel pay and benefits. All cost savings from this part of the section goes directly towards deficit reduction measures. Further, this section eliminates funding for the V-22 Osprey tilt rotor aircraft and reduces military personnel levels to 30,000 in Europe, down from over 60,000 today.

COST SAVINGS: \$277 BILLION²

SUBTITLE E: Fairness in Taxation

- Amends the Internal Revenue Code to revise income tax rates and to increase the rate on individual and married taxpayers with taxable income exceeding \$1 million. This section creates new tax brackets for income starting at \$1 million and going up to a \$1 billion bracket. Capital gains and dividend income will be taxed at ordinary income rates for those taxpayers with income over \$1 million. In the United States today, the richest 1 percent owns 34 percent of our nation's wealth – more than the entire bottom 90 percent.

INCREASED REVENUES: \$800 BILLION³

¹ CBO Testimony of Douglas W. Elmendorf before Joint Select Committee on Deficit Reduction. October 26, 2011.

http://cbo.gov/ftpdocs/124xx/doc12490/10-26-DiscretionarySpending_Testimony.pdf (war related funding)

² HR. 413 savings from Congressional Research Service. Report of the Sustainable Defense Taskforce: Debts, Deficits and Defense, A Way forward. June 2010.

³ Citizens for Tax Justice

SUBTITLE F: Ending Oil and Gas Subsidies

- This section ends the subsidies by amending the Internal Revenue Code to require seven-year amortization of the geological and geophysical expenditures of covered large oil companies. This section will also deny certain tax benefits to any company that have receipts in excess of \$50 million. Those benefits include: tax credits for producing oil and gas from marginal wells, expensing intangible drilling and development costs, percentage depletion, tax deductions for tertiary injectant expenses, exemption from limitations on passive activity losses and the tax deduction for income attributable to domestic production activities. Oil and gas companies are the most profitable corporations on Earth. Despite this fact, the federal government gives away billions of tax payer dollars in subsidies every year.

INCREASED REVENUES: \$40 BILLION⁴

SUBTITLE G: Making Polluters Pay to Clean Up The Mess They Leave

- This section reinstates the Hazardous Substance Superfund financing rate and the corporate environmental income tax for purposes of ensuring that companies that pollute and leave toxic messes clean up the mess they made.

INCREASED REVENUES: \$20.8 BILLION⁵

SUBTITLE H: Making Wall Street Pay for Their Risky Gambles

- Puts a .03% excise tax on the purchase of a security occurring in an American market or by a U.S. citizen, corporation or company. The tax will target stocks, partnership interests, notes, bonds, debentures or interests in derivative financial instruments. The financial sector shattered the global economy and this tax appropriately disincentivizes dangerous speculation by just slightly raising the cost to trade.

INCREASED REVENUES: \$352 BILLION⁶

SUBTITLE I: Extending the “Making Work Pay” Tax Credit

- This section extends the “Making Work Pay” tax credit, originally implemented in ARRA, for an additional two years. As our economy continues to struggle, it is unwise to unfairly burden working families with higher tax bills this year or next.

SUBTITLE J: The Employee Misclassification Prevention Act (EMPA)

- Tens of thousands of employers misclassify their employees as independent contractors, and as a result, these workers are not eligible for benefits such as minimum wage and overtime, unemployment insurance, and workers’ compensation. This Act ensures that employers keep records that reflect the accurate status of each worker.

- COST SAVINGS: \$27 BILLION⁷

SUBTITLE K: Corporate Assets should be Used to Hire

- Amends the Internal Revenue Code to impose on domestic corporations in taxable years beginning in 2011 or 2012 an additional 40% tax on the excess of their retained earnings over their average retained earnings for the preceding 3 taxable years. Exempts certain corporations from such tax, including corporations with retained earnings of less than \$5 million in a taxable year. Corporations are sitting on the largest amount of retained earnings ever recorded, this section encourages corporations to use the cash sitting on their balance sheets to help put Americans back to work

⁴ Department of Treasury. General Explanations of the Administrations FY12 Revenue Proposals. February, 2011:

<http://www.treasury.gov/resource-center/tax-policy/Documents/Final%20Greenbook%20Feb%202012.pdf>

⁵ OMB. Fiscal Year 2012 Budget of the U.S. Government. Page 184

⁶ Joint Committee on Taxation

⁷ Internal Revenue Service estimates \$2.7 billion a year of lost revenue from misclassification

Title III: Protecting and Strengthening Medicare, Medicaid and Social Security

Title III of the bill includes common sense proposals that will strengthen Medicare, Medicaid and Social Security while protecting them for Americans that rely on them.

SUBTITLE A: Creating a Public Health Insurance Option to Reduce Health care Cost

- Amends the Patient Protection and Affordable Care Act to require the Secretary of Health and Human Services to offer through Exchanges a public health insurance option that ensures choice, competition, and stability of affordable, high-quality coverage throughout the United States.

COST SAVINGS: \$88 Billion⁸

SUBTITLE B: Allow Medicare to Negotiate Drug Prices

- Amends part D of Medicare to allow the Secretary of Health and Human Services to negotiate prescription drug prices with pharmaceutical manufacturers. Since establishment of the Medicare Part D, the federal government has been expressly prohibited from directly negotiating with drug companies. Giving the HHS Secretary the ability to negotiate part D prices, such as the Department Veterans Affairs currently does, will yield significant cost savings for both the government and American senior citizens.

COST SAVINGS: \$156 BILLION⁹

SUBTITLE C: Enhanced Extension of Federal Medical Assistance Percentages (FMAP)

- This section restores the enhanced Medicaid rates originally instated in the Recovery Act. State and local governments afflicted by the Great Recession and falling tax revenues are causing the layoffs of tens of thousands of employees every month. More than 600,000 jobs have been lost in state and local government during the past two-and-a-half years. The fastest way to support state governments is to restore the increased federal Medicaid matching rates from the Recovery Act. While the majority of jobs created will be in the private sector, this funding will also save or create many government, health, and education jobs.

SUBTITLE D: Scrap the Social Security Cap

- Social Security is not in crisis, is not going bankrupt and is legally prohibited from contributing the deficit. The recent Congressional Budget Office report on the long-term projections show that Social Security will be able to pay 100 percent of eligible benefits until 2038, and after that date it will be able to pay 81 percent of scheduled benefits. Currently, those making more than \$106,800 a year do not pay taxes on their earnings above that amount. That means lower income individual pay taxes on all their earning while the high income earners do not. This legislation subjects income over \$250,000 to the Social Security payroll tax to create a fairer system. The best way to ensure that Social Security remains solvent for the next 75 years is to lift the cap on earnings subject to the Social Security Payroll Tax.

⁸ CBO. Reducing the Deficit: Spending and Revenue Options. March 2011. Page 33.

⁹ 2008 House Committee on Oversight and Government Reform study. Medicare Part D: Drug Pricing and Manufacture Windfalls