



OFFICE OF MANAGEMENT AND BUDGET

President's FY 2022 Budget Advances Equity Across Government

As the Administration continues to make progress defeating the pandemic and getting our economy back on track, America cannot afford to simply return to the way things were before, with the old economy's structural weaknesses and inequities still in place. President Biden believes we must seize this moment to reimagine and rebuild a new American economy—an economy that invests in the promise and potential of every single American, that leaves no one out and no one behind, and that makes it easier for families to break into the middle class and stay in the middle class.

Consistent with the Biden-Harris Administration's commitment to a "whole-of-government" effort to advance equity and racial justice, the President's Budget for fiscal year 2022 makes transformational investments to combat racial disparities across the Nation, including in health, education, and access to opportunity. Specifically, the President's Budget will:

CONFRONT LONGSTANDING INEQUITIES IN THE HEALTH CARE SYSTEM

- **Extend expanded ACA premiums tax credits in the American Rescue Plan.** The biggest improvement in health care affordability since the Affordable Care Act, the American Rescue Plan provided two years of lower health insurance premiums for those who buy coverage on their own. With these changes, about three in four uninsured Black adults and nearly four in five uninsured Hispanic or Latino adults are now eligible for low-cost health care. As part of the American Families Plan, the Budget will make those premium reductions permanent. As a result, nine million people will save hundreds of dollars per year on their premiums, and millions of uninsured people will gain coverage.
- **Address the Black maternal health Crisis.** The President's Budget includes significant funding to reduce maternal mortality and morbidity rates, improve health equity, and end race-based disparities nationwide. It provides \$200 million to implement implicit bias training for healthcare providers, create State pregnancy medical home programs, bolster Maternal Mortality Review Committees, and expand the Rural Maternity and Obstetrics Management Strategies (RMOMS) program. The Budget also proposes a \$3 billion investment in maternal health to reduce maternal mortality and end race-based disparities in maternal mortality as part of the American Families Plan.
- **Address racial disparities in access to home- and community-based care.** Native Americans and Black adults are overrepresented in the population of people with disabilities and older adults for whom home and community-based care is needed. As part of the American Jobs Plan, the Budget will put \$400 billion towards expanding access to quality, affordable home- or

community-based care for aging relatives and loved ones with disabilities. These investments will help hundreds of thousands of Americans finally obtain the long-term services and supports they need, while creating new jobs.

- **Invest in culturally competent care.** Building on efforts in the American Rescue Plan Act of 2021 to advance equity and reduce health disparities in all healthcare programs, the Budget includes additional funding to expand access to culturally competent care. It also includes \$153 million for CDC’s Social Determinants of Health program to support States and Territories in improving health equity and data collection for racial and ethnic populations.
- **Promote health equity for American Indians and Alaska Natives.** To begin redressing long-standing, stark health inequities experienced by American Indians and Alaska Natives, the Budget proposes to dramatically increase funding for the Indian Health Service (IHS) by \$2.2 billion. In addition, to ensure a more predictable funding stream for IHS, the Budget for the first time includes an advance appropriation for IHS in 2023.
- **Combat the Gun Violence Public Health Epidemic.** The Budget includes \$2.1 billion, an increase of \$232 million above the 2021 enacted level, for DOJ to address the gun violence public health crisis plaguing communities across the Nation. This level supports existing programs to improve background check systems and invests in new programs to incentivize state adoption of gun licensing laws and establish voluntary gun buyback pilot programs. Combined, the requests for DOJ and Department of Health and Human Services (HHS) include \$200 million to support a new Community Violence Intervention initiative to implement evidence-based community violence interventions locally. This funding is an addition to the American Jobs Plan’s \$5 billion over eight years investment in community violence interventions to address the increase in homicides disproportionately affecting Black and brown Americans.

HELP REDRESS SYSTEMIC INEQUITIES IN HOUSING

- **Address the racial gap in homeownership.** Families of color have on average a fraction of the wealth that white families have, in large part because of barriers to homeownership. The American Jobs Plan creates new opportunities for families of color to buy a first home and build wealth by spurring the construction and rehabilitation of homes for underserved communities. The Budget also supports access to homeownership for underserved borrowers through the Federal Housing Administration’s (FHA) mortgage insurance programs, which are a crucial source of mortgage financing for minority homebuyers, who accounted for 37 percent of FHA home purchase loans in 2020. The Budget additionally provides \$85 million in grants to support State and local fair housing enforcement organizations and to further education, outreach, and training on rights and responsibilities under Federal fair housing laws.
- **Make historic investments in addressing residential segregation caused by decades of failed federal infrastructure investments.** Historic investments in transportation infrastructure, especially highway construction, cut too many Americans off from opportunity, dividing and demolishing communities, and perpetuating economic and racial injustices. President Biden’s Budget includes \$15 billion as part of the American Jobs Plan for a new “Highways to Neighborhoods” program that will reconnect neighborhoods cut off by historic infrastructure projects and ensure new projects increase opportunity, advance racial equity and environmental

justice, and promote affordable access.

- **Mitigate exclusionary zoning policies that entrench residential segregation.** For decades, exclusionary zoning laws have inflated housing and construction costs and locked families of color out of areas with more opportunities. The American Jobs Plan creates an innovative new approach to incentivize local communities to take steps to eliminate these exclusionary zoning policies. The Budget also includes funding for mobility-related supportive services to provide low-income families who live in concentrated areas of poverty with greater options to move to higher-opportunity neighborhoods.
- **Spur infrastructure modernization and rehabilitation in marginalized communities.** The Budget provides \$3.8 billion for Community Development Block Grants, which includes a targeted increase of \$295 million toward the modernization and rehabilitation of public infrastructure and facilities, such as recreational centers and commercial corridor improvements, in historically underfunded and marginalized communities facing persistent poverty.
- **Deliver affordable housing to communities of color who are most burdened by the affordable housing crisis.** Following decades of racially discriminatory federal housing policies, Americans of color are more likely to be rent burdened, or to live in sub-standard housing. The Budget invests \$213 billion as part of the American Jobs Plan to produce, preserve, and retrofit more than two million affordable and sustainable places to live, extending affordable housing opportunities to underserved communities nationwide.
- **Invest in affordable housing in tribal communities.** Native Americans are seven times more likely to live in overcrowded conditions and five times more likely to have plumbing, kitchen, or heating problems than all U.S. households. The Budget helps address the poor housing conditions in Tribal areas by providing \$900 million to fund Tribal efforts to expand affordable housing, improve housing conditions and infrastructure, and increase economic opportunities for low-income families.

ADDRESS ENTRENCHED DISPARITIES IN EDUCATION

- **Close opportunity gaps by providing universal preschool to all 3- and 4-year-olds.** President Biden is calling for a national partnership with states to offer free, high-quality, accessible, and inclusive preschool to all 3- and 4-year-olds—benefitting 5 million children. This historic investment in America's future will first prioritize high-need areas and enable communities and families to choose the setting that works best for them, whether that's a preschool classroom in a public school, a center, or a Head Start program. The American Families Plan will also ensure that all publicly-funded preschool is high-quality with low student-to-teacher ratios, a high-quality and developmentally appropriate curriculum, and supportive classroom environments that are inclusive for all students. All employees in participating Preschool programs and Head Start will earn at least \$15 per hour, and those with comparable qualifications will receive compensation commensurate with that of kindergarten teachers.
- **Make historic investments in high-poverty schools.** As part of President Biden's commitment to dramatically increase funding for Title I schools, the Budget includes \$20 billion for a new Title I Equity Grants program. This historic new investment would build on the existing

\$16.5 billion in Title I funding by directly addressing longstanding inequities in our education system, including State and local funding systems that favor wealthier districts over districts with concentrated poverty; competitive pay for teachers; preparation for, access to, and success in rigorous coursework; and expanded high quality preschool opportunities.

- **Eliminate inequitable school infrastructure conditions.** Black and brown children are more likely than their white peers to attend schools with run down and unsafe facilities. The Budget supports \$100 billion in investments through the American Jobs Plan to upgrade and build new public schools, ensuring that children of color in the United States have equal access to healthy learning environments with the labs and technology they need to prepare them for the jobs of the future.
- **Address childhood hunger.** The Budget builds on the American Rescue Plan's support for Summer Pandemic-EBT by creating a permanent Summer EBT program through the American Families Plan and making it available to all 29 million children receiving free- and reduced-price meals. As part of the American Families Plan, the Budget will also allow more schools in high poverty districts to offer meals free of charge to all of their students by reimbursing a higher percentage of meals at the free reimbursement rate through the Community Eligibility Provision (CEP). Additionally, the Budget will target elementary schools by reimbursing an even higher percentage of meals at the free reimbursement through CEP and lowering the threshold for CEP eligibility for elementary schools.
- **Offer two years of free community college to Americans, including Dreamers.** Community colleges provide educational opportunities for students who are often underserved by four-year universities, including first-generation students, students of color, low-income students, and adult learners. The American Families Plan creates a federal-state, -territory, and -tribal partnership that allows first-time college students and workers wanting to reskill to enroll in a community college to earn a degree or credential for free. Students can use the benefit for up to three years and, if circumstances warrant, up to four years.
- **Invest in community college infrastructure to support students of color and rural students.** Community colleges are vital institutions that enroll nearly half of all students of color. The Budget invests \$12 billion through the American Jobs Plan in community college facilities and technology to help protect the health and safety of students and faculty, grow local economies, improve energy efficiency and resilience, and narrow funding inequities in the short-term, as we rebuild our higher education finance system for the long-run.
- **Increase the maximum Pell Grant award.** Nearly 60 percent of Black, almost half of Latino, half of American Indian or Alaska Native, and more than one-third of Native Hawaiian or Pacific Islander students depend on Pell Grants to help pay for college. The Budget provides discretionary funding to increase the maximum Pell Grant by \$400—the largest one-time increase since 2009. This increase, together with the \$1,475 Pell Grant increase in the American Families Plan, represents a significant first step to deliver on the President's goal to double the grant. The American Families Plan would also allow DACA recipients to access the funding.
- **Increase college retention and completion rates.** Just 40 percent and 54 percent of first-time Black and Latino students at four-year colleges and universities, respectively, go on to earn their degree, compared to 64 percent of white students. And overall, just 40 percent of community college students, who are disproportionately low-income and people of color, graduate within 6 years. The President is proposing a \$62 billion formula grant program that will provide funding to

states, territories, and Tribes to support retention and completion activities at colleges and universities that serve high numbers of low-income students, including wraparound services ranging from child care and mental health services to faculty and peer mentoring; emergency basic needs grants; practices that recruit and retain faculty; transfer agreements between colleges; and evidence-based remediation programs.

- **Enable America’s Historically Black Colleges and Universities (HBCUs), Tribal Colleges and Universities (TCUs), and minority-serving institutions (MSIs) such as Hispanic-serving institutions (HSIs) and Asian American and Native American Pacific Islander-serving institutions (AANAPISIs) to help advance underrepresented students.** Research has found that HBCUs, TCUs, and MSIs are vital to helping underrepresented students move to the top of the income ladder. The American Families Plan calls for \$39 billion to provide two years of tuition subsidies to low- and middle-income students attending four-year HBCUs, TCUs, and MSIs. The plan also provides \$5 billion to expand existing institutional aid grants to HBCUs, TCUs, and MSIs, which can be used by these institutions to strengthen their academic, administrative, and fiscal capabilities, including by creating or expanding educational programs in high-demand fields, with an additional \$2 billion funding directed towards building a pipeline of skilled health care workers with graduate degrees. These proposed investments, combined with the \$45 billion proposed in the American Jobs Plan targeted to these institutions and other institutional and student supports in the Budget, will enable America’s HBCUs, TCUs, and MSIs to help advance underrepresented students and make the U.S. more competitive on the global stage.
- **Address teacher shortages, improve teacher preparation, and strengthen pipelines for underrepresented teachers, including teachers of color.** America’s serious teacher disproportionately impacts students of color. At the same time, while teachers of color can have a particularly strong impact on students of color, around one in five teachers are people of color, compared to more than half of K-12 public school students. As part of the American Families Plan, the President’s Budget invests \$9 billion in America’s teachers, including by doubling scholarships for future teachers from \$4,000 to \$8,000 per year, which would help underrepresented teachers, including teachers of color, access high-quality teacher preparation programs. The plan also includes \$2.8 billion to support Grow Your Own programs and year-long, paid teacher residency programs, which are more likely to enroll underrepresented teacher candidates, including candidates of color; and \$400 million for teacher preparation programs at HBCUs, TCUs, and MSIs.
- **Help current teachers earn in-demand credentials.** Many teachers are eager to get certified in areas their schools need, like bilingual education, but are deterred due to the high cost of getting an additional certification. The American Families Plan creates a new fund to provide more than 100,000 educators with the opportunity to obtain additional certifications in high-demand areas like special education, bilingual education, and certifications that improve teacher performance. This will particularly benefit students with disabilities and English learners.

EXPAND JOB OPPORTUNITIES FOR COMMUNITIES OF COLOR

- **Target workforce development opportunities in underserved communities.** Structural racism and persistent economic inequities have undermined opportunity for millions of workers. All of the investments in workforce training in the American Jobs Plan will prioritize underserved communities and communities who have struggled in a transforming economy. Specifically, the American Jobs Plan will ensure that new jobs created in clean energy, manufacturing, and

infrastructure are readily accessible to women and people of color.

- **Bridge the digital divide by achieving 100 percent coverage of high-speed broadband.** Black and Latino families are less likely to be able to access home broadband internet than white families, compounding systemic barriers to opportunity and economic equality. The American Jobs Plan will prioritize building “future proof” broadband infrastructure in unserved and underserved areas so that we finally reach 100% high-speed broadband coverage. The plan will also invest in long-overdue expansion of broadband on Tribal lands, in consultation with Tribal Nations, and in U.S. Territories.
- **Protect the health, safety, and rights of workers of color.** President Biden is calling on Congress to provide the Federal Government with the tools it needs to ensure employers are providing workers with good jobs – including jobs with fair and equal pay, safe and healthy workplaces, and workplaces free from racial, gender, and other forms of discrimination and harassment. In addition to a \$10 billion investment in enforcement as part of the American Jobs Plan’s workforce proposals, the President is calling for increased penalties when employers violate workplace safety and health rules.
- **Help minority-owned small businesses access capital and scale.** To help address longstanding racial inequity and eliminate barriers for minority-owned firms, the Budget includes \$70 million, an increase of \$22 million, for the Minority Business Development Agency (MBDA) to fund investments in economic development grants and research to ensure policies effectively support the minority business community. In addition, the Budget provides \$330 million, an increase of 22.2 percent above the 2021 enacted level, to support expanding the role of Community Development Financial Institutions (CDFIs), which offer loans to start-ups and small businesses to promote the production of affordable housing and community revitalization projects. The American Jobs Plan will also create a new program through the MBDA that will help small, Brown- and Black-owned manufacturers access private capital.
- **Ensure that minority-owned manufacturers thrive.** The American Jobs Plan will more than quadruple support for the Manufacturing Extensions Partnership —increasing the involvement of minority-owned and rurally-located small- and-medium-sized enterprises in technological advancement.
- **Create a national comprehensive paid family and medical leave program.** Paid family and medical leave can help reduce racial disparities in wage loss between workers of color and White workers. The American Families Plan will ensure workers receive partial wage replacement to take time to bond with a new child, care for a seriously ill loved one, deal with a loved one’s military deployment, find safety from sexual assault, stalking, or domestic violence, heal from their own serious illness, or take time to deal with the death of a loved one. It will guarantee twelve weeks of paid parental, family, and personal illness/safe leave by year 10 of the program, and also ensure workers get three days of bereavement leave per year starting in year one. The program will provide workers up to \$4,000 a month, with a minimum of two-thirds of average weekly wages replaced, rising to 80 percent for the lowest wage workers. The plan has an inclusive definition of family, ensuring workers can care for and be cared by a loved one who is not related by blood, which will greatly impact LGBTQ individuals and people with disabilities.

MAKE GENERATIONAL INVESTMENTS IN CLIMATE JUSTICE

- **Make the largest investment in climate justice in history.** Black, Latino, and Native communities are more likely to be burdened by pollution. Black people are almost three times more likely to die from asthma related causes than their white counterparts. And more than one in three -- or over 23 million -- Latinos in the U.S. live in counties where the air doesn't meet EPA public health standards for smog. To support marginalized and overburdened communities across the Nation, the Budget invests more than \$1.4 billion, including \$936 million toward a new Accelerating Environmental and Economic Justice initiative at the Environmental Protection Agency (EPA). The initiative would create good-paying union jobs, clean up pollution, and secure environmental justice for communities that have been left behind. The Budget also provides \$44 million to allow the DOJ to increase affirmative casework related to environmental justice and to ensure environmental safety. The American Jobs Plan also makes ambitious investments in clean power and clean energy, and will mobilize historic levels of private investment into modernizing our power sector.
- **Deliver 40 percent of the benefits of climate and infrastructure investments in underserved communities.** President Biden's American Jobs Plan targets 40 percent of the benefits of climate and clean infrastructure investments to disadvantaged communities, including communities of color. Through this Justice40 initiative, President Biden will make a once in a generation investment in climate justice.
- **Eliminate all lead pipes across the nation to safeguard the health and safety of families of color.** The American Jobs Plan will eliminate all lead pipes and service lines in our drinking water systems, improving the health of our country's children, especially in communities of color. This investment will also reduce lead exposure in 400,000 schools and childcare facilities. The Budget also provides \$400 million for HUD's Lead Hazard and Healthy Homes grants, which enable State and local governments and nonprofits to reduce lead-based paint and other health hazards in the homes of low-income families with young children.
- **Safeguard communities of color from climate crises and extreme weather risks.** People of color are more likely to live in areas most vulnerable to flooding and other climate change-related weather events. The American Jobs Plan makes critical, targeted investments in climate disaster resilience in communities of color and Tribal communities.
- **Help Tribal nations address the climate crisis.** Tribal communities are particularly vulnerable to the impacts of climate change, which threatens their cultural and economic well-being. The Budget provides an increase of more than \$450 million to facilitate climate mitigation, resilience, adaptation, and environmental justice projects in Indian Country, including investment to begin the process of transitioning Tribal colleges to renewable energy.

BUILD A CARE ECONOMY THAT ADVANCES RACIAL JUSTICE

- **Invest in caregivers, who are disproportionately women of color.** Caregivers – who are disproportionately women of color – have been underpaid and undervalued for far too long. The American Jobs Plan ensures domestic workers – who are disproportionately women of color – receive the benefits and protections they deserve and tackles pay inequities based on gender. The American Families Plan also includes a \$15 minimum wage for early childhood educators and ensures that those with similar qualifications as kindergarten teachers receive comparable compensation and benefits.

- **Address racial disparities in access to home- and community-based care.** Native Americans and Black adults are overrepresented in the population of people with disabilities and older adults for whom home and community-based care is needed. The Budget will put \$400 billion as part of the American Jobs Plan towards expanding access to quality, affordable home- or community-based care for aging relatives and loved ones with disabilities. These investments will help hundreds of thousands of Americans finally obtain the long-term services and supports they need, while creating new jobs and offering caregiving workers a long-overdue raise, stronger benefits, and an opportunity to organize or join a union and collectively bargain
- **Upgrade and build new child care facilities to support equity in early childhood experiences.** Families of color are more likely than white families to live in childcare deserts. And, the child care sector is a key engine of opportunity for women of color in the workforce. As part of the American Jobs Plan, the Budget includes \$25 billion to help upgrade child care facilities and increase the supply of child care in areas that need it most.
- **Advance equity in child welfare.** The Budget proposes \$100 million in new competitive grants to advance racial equity in the child welfare system and reduce unnecessary child removals and increases funding for State and local child abuse prevention programs by over 30 percent compared to the 2021 enacted level.
- **Ensure low- and middle-income families can access affordable child care for children from birth to age 5.** Under the American Families Plan, families will pay only a portion of their income based on a sliding scale. For the most hard-pressed working families, child care costs for their young children would be fully covered and families earning 1.5 times their state median income will spend no more than 7 percent of their income on child care. The plan will also provide families with a range of inclusive and accessible options to choose from for their child, from child care centers to family child care providers to Early Head Start programs.
- **Invest in high-quality child care.** Under the President’s plan, child care providers will receive funding to support the true cost of quality early childhood education—including a developmentally appropriate curriculum, small class sizes, and culturally and linguistically responsive environments that are accessible and inclusive of children with disabilities. These investments support positive interactions between educators and children that promote children’s social-emotional and cognitive development.

COMMIT TO CRIMINAL JUSTICE REFORM

- **Reform the Federal criminal justice system.** The Budget supports key investments in First Step Act (FSA) implementation, advancing the provision of high-quality substance use disorder treatment, reentry services, and recidivism reduction programming. Building on the bipartisan FSA, the Budget also incorporates savings from prison population reduction measures that prioritize incarceration alternatives for low-risk offenders.
- **Support returning citizens in accessing employment.** President Biden’s American Jobs Plan will invest in job training for formerly incarcerated individuals and justice-involved youth, who, because of entrenched disparities in the criminal justice system, are disproportionately Black and brown. President Biden’s plan will facilitate effective reentry and support evidence-based violence prevention programs while promoting public safety.

- **Invest in community policing, police reform, and other efforts to address systemic inequities.** The Administration will take bold action to root out systemic inequities in the Nation’s justice system. In addition to investing in programs that support community-oriented policing and practices, the Budget also proposes to expand grants that support efforts to reform State and local criminal justice systems, including funding to support juvenile justice programs, drug courts and alternative court programs, public defenders, and Second Chance Act programs.

INVEST IN CIVIL RIGHTS COMPONENTS AT FEDERAL AGENCIES

- **Reinvigorates Federal Civil Rights Enforcement at the Department of Justice.** In order to protect marginalized communities, the budget increases resources for the Department’s Civil Rights Division, Community Relations Service, and other programs, and establishes a new Access to Justice Office. This would support DOJ efforts to promote police reform, the prosecution of hate crimes -- especially in communities uniquely impacted by bias, xenophobia, and hate driven by the COVID-19 pandemic -- voting rights enforcement, mediation and conciliation services for community conflicts arising from discriminatory practices, and other activities.
- **Invest in civil rights offices across government.** The Budget supports significant increases for civil rights offices and activities across Federal agencies to ensure that the Nation’s laws are enforced fairly and equitably.

ADVANCE RACIAL JUSTICE THROUGH AMERICA’S TRANSPORTATION SYSTEM

- **Build a more equitable transportation infrastructure and public systems.** Americans of color are more than twice as likely as white Americans to rely on public transportation. In fact, Asian American and African American workers commute by public transit at nearly 4 times the rate of white workers. President Biden’s plan will double the federal government’s investment in public transportation, and will help local public transit systems expand their systems so that communities of color have increased access to public transportation and the economic opportunity that equitable transit systems unlock.
- **Support Transportation Equity.** The Budget includes significant funding for major discretionary competitive grant programs, including RAISE transit Capital Investment Grants, and Port Infrastructure Development, and invests in rail as a down-payment to the President’s commitment to passenger rail. The Budget also proposes \$110 million for a new Thriving Communities initiative, which would foster transportation equity by providing capacity building grants to underserved communities. These programs would ensure that more communities have cleaner, robust, and affordable transportation options, including high quality transit, equitable transit-oriented development, and other enhancements to improve neighborhood quality of life and address climate change.

These historic investments demonstrate the Biden-Harris Administration’s strong commitment to advance equity across the Nation. Importantly, even as the Administration pursues this historic agenda, the President believes that there will be more to accomplish in the coming years. This year’s Budget gives a full accounting of the first, critical steps the Nation must take to begin the work of building back better and more equitably.

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