

## ***Moral Budget Resolution***

### ***An Act to establish a commission to report on the Moral Budget to Revive, Repair and Renew our Economy***

HD. 2617 (Rep. Livingstone); SD. 2247 (Sen. Feeney)

The clearest measure of federal and state policies are the Congressional Discretionary budget and the State Legislative Budget. Though generally treated as politically independent, more than 30% of the State budget is provided from the federal Budget. Thus it is not possible to uncouple the two.

The Moral Budget is an alternative Federal Budget created by the Poor People's Campaign in collaboration with the Institute for Policy studies. Instead of economic policy that benefits a few, in the Moral Budget corporations and wealthy individuals pay their fair share of taxes and the bloated military budget is reduced to adequately fund the pressing human needs of the vast majority in the United States.

In the wealthiest country in the world we have abundant resources but must fundamentally restructure how we spend these resources. This means establishing a fair tax structure and cutting the bloated military budget.

A 2019 Oxfam report made the case that making taxes fairer will help address many of the world's ills. Even if the world's richest 1 percent paid just 0.5 percent extra tax on their wealth, this would generate far more than it would cost to educate the 262 million children out of school, and provide life--saving health care for 3.3 million people

#### **Why do we need the “Moral Budget” here in Massachusetts?**

- 2.9 million residents in Massachusetts are poor or low income (43%)
  - ❖ Includes 707,000 children ( 50%)
  - ❖ 1.6 million women (46%)
  - ❖ 1.1 million people of color (63%)
  - ❖ 1.8 million white people (36%)
- From 1979--2012 income for the top 1% grew by 334% while the income for the bottom 99% increased by 33%.
- Under President Trump's tax law, the richest 1% of Massachusetts residents are

expected to receive 31% of the benefits, their tax cut in 2027 is expected to be \$12,230, while the poorest 20% are expected to pay \$50 more.

### **How would a “Moral Budget ” potentially impact Massachusetts?**

In addition to encouraging our Massachusetts delegation to support the Moral Budget, if HD.2617 & SD.2247 passes, the Massachusetts legislature will establish a commission to study the impact it would have across all sectors in the Commonwealth. The commission has six months to report the findings. This provides an educational tool to help people start to envision and implement an alternative budget.

### **A few highlights of The Moral Budget:**

*Education:* The Moral Budget invests \$24.4 billion per year in K-12 schools and teachers to boost academic performance among poor and struggling children. This would bring \$480,000,000 to Massachusetts for public education, sufficient to hire more than 6,000 trained teachers. These additional federal dollars would make a significant contribution to the \$2 billion required to fully fund the Fund Our Futures Act.

The Moral Budget invests about \$70 billion per year for the federal and state shares of providing four years of free public college. This would bring about \$1.4 billion into Massachusetts, and lift up the prospects of completing their education for the 260,000 students in the public colleges and universities. (A study of public higher education in California found that for every \$1 invested in public colleges and universities, the state gained \$4.50 due to reduced poverty, arrests and incarcerations, and higher tax revenues).

*Family Security:* As an immediate measure, the Moral Budget restores \$8.9 billion Temporary Assistance for Needy Families (TANF) to previous funding levels, to provide a modicum of relief to poor families who deserve a fully functional safety net. TANF has not been adjusted for inflation since the Clinton administration, which in 2019 puts the program \$8.9 billion under its 1996 level.

*Housing:* The Moral budget would allow an additional \$44 billion per year in investments for a housing trust fund to build, maintain, and preserve affordable rental homes if adjustments to yearly military expenditure are made. This could provide Mass residents with \$1 billion to \$2 billion of long term rental assistance from federal or state sources if estimating from the proportion of the state’s population to the country’s. Section 8 housing vouchers for affordable housing can provide subsidies for low income housing. At a national level, \$40 billion a year is being put into housing vouchers. From that \$40 billion, about a billion dollars or two billion dollars are able to be used at a state level for these Section 8 vouchers.

*Transportation:* The Moral Budget increases in federal transportation spending would

bring about \$1.2 billion/year for Massachusetts. This would enable re-establish train service for “South Coast Rail” to New Bedford and Fall River; begin design for the North station -South Station Connector, which would unify the nearly entire east coast rail while also fixing many confusing commutes; extending the Blue Line to Lynn; and expanding Regional Bus Service for Central and Western MA.

*Clean water:* By Investing \$37.2 billion a year in water infrastructure, the Moral Budget would create up to 945,000 jobs nationally, while providing safe drinking water to thousands of communities that don’t have it. Hundreds of communities in Massachusetts would benefit.

*Fair wages:* A \$15 federal minimum wage enacted immediately would raise pay for 49 million workers by a combined \$328 billion per year. At \$22 per hour, 83 million workers would get \$1 trillion more in pay.

*Veteran’s Services:* Whereas 20% of veterans in Massachusetts are living on less than \$35,000 a year and one in five are living in poverty, the Moral Budget eliminates veteran’s homelessness, expands access to mental health care and expands job training for veterans.

*Peace and Security:* Thousands of Massachusetts residents have been casualties of wars in Iraq, Afghanistan and beyond since 2001 These wars we have not made us safer but instead have seriously damaged our international reputation and have diverted funds from sectors that will make us more resilient and safer such as healthcare, education and the transition to renewable energy, increased protection of vital natural resources in Massachusetts.

The Moral Budget saves as much as \$350 billion per year in the federal budget by cutting current Pentagon spending for fighting endless wars, maintaining a worldwide network of 800 military bases, stoking dangerous arms races, and subsidizing for-profit corporate contractors, leaving a military budget that would still be larger than that of China, Russia, and Iran combined.

In particular cancelling the proposed \$2 trillion nuclear weapons upgrade program would save \$100 billion and avoid an escalating arms race.

These savings would finance all of the investments listed above.

*Health care:* The moral budget calls for a \$350 billion cut in the Pentagon budget. Even a more modest cut of 10%, or \$74 billion, could provide Massachusetts with over 66 million coronavirus tests, over 705 million respirator N95 masks, or nearly 80,000 hospital stays for covid-19 patients.

*Climate and Environment:* In Massachusetts 10,452 tons of NOx are emitted yearly, a leading cause of respiratory problems, the Moral Budget invests \$200 billion in transitioning to clean renewable energy, rebuilding crumbling roads, bridges, and a Green New Deal to build a fully modernized electric grid and create high-quality jobs;

By studying how this budget will impact some of the persistent problems we face in Massachusetts such as affordable housing, income and wealth inequality, inadequate funding

for mental health, we will build support to pass a federal budget that will lead to a more equitable, healthy and fair society and increase quality of life here in Massachusetts.

More Info: The Moral Budget:

<https://www.poorpeoplescampaign.org/resource/poor-peoples-moral-budget/>

Also of value: The 2019 Read the entire People's Budget produced by the Congressional Progressive Caucus

<https://cpc--grijalva.house.gov/the--peoples--budget--a--progressive--path--forward--fy--2019/>

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