

August 24, 2021

The Honorable Joe Biden
President of the United States
The White House
Washington, D.C. 20500

The Honorable Janet L. Yellen
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue
Washington, D.C. 20220

President Biden and Secretary Yellen:

The past year has shown us what happens when you layer a public health crisis on top of racial inequity. COVID-19 had a disproportionate effect on Black and Brown neighborhoods that had already been suffering from decades of targeted disinvestment. Congress passed the American Rescue Plan Act (ARPA) to get federal relief directly into communities, particularly those harmed most from the devastating economic and health impacts of the pandemic.

We write to express concern that this federal relief funding will be diverted to Wall Street banks, corporate tax cuts, and additional policing.

In July, the Biden administration issued a [memo](#) that outlines their strategy to combat crime, a strategy that “uses the American Rescue Plan’s \$350 billion in financial support and clear guidance to provide state, local, territorial, and tribal governments the money they need to put more police officers on the beat - including hiring above pre-pandemic levels in communities experiencing an increase in gun violence associated with the pandemic - as well as the other resources, training, and accountability they need to engage in effective community policing.”

More policing is not the answer. It’s the same flawed strategy that led to the 1994 Crime Bill, and the decades of harm that resulted - harms that our communities are still living with.

The safest communities are those with the most resources - not those with the most cops. Decades of grassroots organizing have successfully proven that the most effective strategies against gun violence is to invest in community-based and led programs that address the root causes, provide supportive services and solutions.

Giving America’s largest banks our recovery money also does not provide the support communities need to build back better after the pandemic. In Chicago, for example, Mayor Lori Lightfoot has proposed doling out more than half of the city’s \$1.9 billion recovery money to pay back debt - including \$465 million to JPMorgan Chase - to avoid paying \$9 million a year in interest on a loan. This means the city’s entire allocation for this year could go toward paying back debt.

Every year, public dollars are already siphoned off by banks through high cost municipal debt and for corporate tax benefits, draining hundreds of billions from neighborhood services, enabling the conditions for over-policing, and exacerbating racial and economic inequality in communities. These are the very conditions that made Black and Brown communities so vulnerable in the pandemic.

We all agree that public safety is a top priority - but cops and banks do not contribute to that shared goal.

The Department of Treasury should encourage ARPA spending away from policing, banks, and more corporate tax cuts to make reparative investments in the public services and non-carceral solutions that have been demanded by communities across the country.

We need Treasury officials to encourage budget choices that invest in communities and in non-police violence prevention programs that have been shown to be effective, but that are severely underfunded today. By directing resources to programs and services that have proven effective in intervening and actually preventing gun violence, we will truly save lives. Without bright-line rules prohibiting the use of relief funding on debt, struggling communities could lose their entire relief allocation this year to Wall Street and policing.

Treasury officials also explicitly prohibited the use of relief funds to cut taxes on the state level. However, the failure to extend this ban to the local level has opened the door for using relief money for corporate tax cuts instead of a recovery for hard-hit communities. In Philadelphia, for example, after the release of ARPA funds and without clarity on the usage of these funds, Mayor Jim Kenney and Councilmembers Cherelle Parker and Allan Domb all introduced tax cut bills that together would have drained hundreds of millions of dollars from Philadelphia's communities. These tax bills dominated the local budget process, instead of a focus on the best use of ARPA funds for a full recovery.

We can't afford to continue to ignore the decades of divestment that led to severe inequities in unemployment, houselessness and lacking mental health services during an unprecedented period of trauma, grief, stress and social upheaval. **In this critical moment, we urge Treasury to issue a final rule to ensure implementation of the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund established under the American Rescue Plan Act is an investment in community recovery, not a boon to banks, cops, and more corporate tax cuts.**

Sincerely,

Action Center on Race and the Economy (ACRE)
ACT UP Philadelphia AIDS Coalition To Unleash Power
Adasina Social Capital
African American Roundtable, Inc.
AFSCME 3299
Alliance of Californians for Community Empowerment (ACCE)
Amistad Law Project

Anti Police-Terror Project
Athens County's Future Action Network (ACFAN)
Bargaining for the Common Good
Black Leaders Organizing Communities (BLOC)
Black LGBTQIA+ Migrant Project
Brighton Park Neighborhood Council
Bull City
Causa Justa :: Just Cause
Center for LGBTQ Economic Advancement & Research (CLEAR)
Center on Policy Initiatives
Center for Popular Democracy
Change Finance
Chicago AfroSoc
Chicago Coalition for the Homeless
Civil Rights Corps
Color Of Change
Communities United for Restorative Youth Justice (CURYJ)
Community Labor United
DefundPolice.Org
Detroit Action
ExtendPUA.org
Florida Rising
Fight For The Future
Future Coalition
Georgia STAND-UP
Grassroots Collaborative
Human Impact Partners
Impact Investors Inc.
Jobs With Justice
Juntos
Justice Teams Network
Local Progress
Media Justice
MILPA
MomsRising
National Resource Center on Domestic Violence
New York Communities for Change (NYCC)
Philadelphia Neighborhood Network
Policing and Social Justice Project
PowerSwitch Action

Public Citizen
Stand Up Nashville
Strong Economy for All
UBUNTU Research and Evaluation
United For A New Economy (UNE)
United For Respect
United Working Families
Uplift Watertown
Working Families Party
215 People's Alliance
350 Colorado Springs