

# THE REBUILD AMERICA ACT

## Title 1: Invest in America to Create Jobs and Future Growth

As our economy continues to recover from the worst economic period since the Great Depression, we need to invest more wisely in programs that will create jobs and lay the groundwork for future growth. For decades, we have allowed the infrastructure that our nation's prosperity is built upon to crumble. Our roads and bridges are outdated and unsafe, our education system is falling behind our global competitors, and too many factories are shuttered. To rebuild America's foundation to create future growth, we must:

- ***Invest in America's Roads, Bridges, and Infrastructure:*** America's public byways are crumbling as a result of the decade-long failure to invest in our infrastructure. To help overcome this deficit and promote economic growth, the Act provides \$300 billion for investments including roads, bridges, and energy efficiency systems.
- ***Modernize America's Schools:*** Too many of our nation's schools are not equipped to meet the needs of 21st Century students and teachers. The Act provides \$20 billion in formula grants for the modernization, renovation, and repair of early learning facilities, K-12 public schools, and community colleges.
- ***Support Great Teachers:*** Teacher effectiveness has more impact on student achievement than any other in-school factor. The Act provides grants to States to provide professional development to teachers and other school personnel so that they can best prepare students to meet college and career ready standards.
- ***Rebuild America's Manufacturing Power:*** While many of our competitors are taking aggressive steps to support domestic manufacturing, the U.S. lacks a coherent strategy to support manufacturers. The Act includes steps to strengthen American manufacturing so that we can better compete in the global economy and establishes a national manufacturing strategy.
- ***Prepare American's for Jobs of the Future:*** To be competitive in the global economy, Americans must have the skills for 21<sup>st</sup> Century jobs. The Act offers challenge grants to regional partnerships between businesses, schools, labor, and economic development officials to train workers for well-paying jobs of the future.
- ***Pursue Fair Trade:*** The demand created by America's middle class is the engine of the world's economy, but we won't have a robust economy and a thriving middle class if we allow our trading partners to use unfair trade practices that undercut American workers and manufacturers. The Act includes steps to help American workers compete on a level playing field with our trading partners.
- ***Create Middle Class Jobs and Protect Middle Class Communities:*** While private sector job growth has picked up, since 2008, state and local governments have cut almost 700,000 workers, including over 250,000 teachers. These cuts threaten the safety and impede the progress of America's middle class communities. To create middle class jobs and protect middle class communities, the Act provides funds for state and local governments to hire teachers, cops, firefighters, and other critical employees.

## Title 2: Create Financial Stability and a Better Future for Middle Class Families

Until the 1970s, Americans' wages rose in tandem with productivity growth. Since then, wages have stagnated even as Americans work longer hours and produce more. To help families stay in the middle class, we must help families' wages go farther and create more good-paying jobs with benefits that help families care for their children and plan for a secure retirement. To rebuild support structures that allow our families to prosper, we must:

- ***Alleviate the High Cost of Child Care:*** One of the largest burdens faced by young families is the rising cost of child care. To help, the Act will update the Child Care and Development Block Grant to offer more subsidies for child care while also increasing the quality of that care so that parents can go to work with the assurance that their children are safe and sound.
- ***Help Americans Enjoy Their Golden Years:*** Americans deserve to know they can retire with dignity and enjoy their golden years. The Act will improve Social Security benefits and strengthen the private pension system so that more Americans can count on a steady stream of retirement income they will not outlive.
- ***Protect Overtime Pay for Working Americans:*** Too many Americans are working longer and harder without anything to show for their efforts in their paycheck. The Act will ensure that Americans who are

called on to work long hours receive the fair pay they deserve by updating the threshold used to determine which “white collar” workers automatically qualify for time-and-a-half when they work beyond a normal workweek.

- ***Prevent Americans from Having to Choose Between Their Health and Their Paycheck:*** The U.S. is the only industrialized country that does not guarantee paid sick time to workers, forcing many low and middle-income workers to choose between their health, their job, or bringing their sickness to work. The Act will allow Americans to earn up to seven paid sick days per year to use for preventive care, recovery from illness, or to care for sick family members.
- ***Establish a Fair Minimum Wage:*** While the minimum wage used to equal about half of average wages, today it is barely a third. A higher minimum wage is the simplest thing we can do to help struggling families become self-sufficient and join the middle class.
- ***Empower Hardworking Americans:*** Strong and vibrant unions are essential to creating the good, middle class jobs that can support a family and support a strong economy. By ensuring that all workers have a right to join together and stand up for fair wages and working conditions, and that employers face real penalties for violating that right, the Act will help strengthen the middle class and promote economic growth for our businesses and communities.
- ***Increase Job Opportunities for Americans with Disabilities:*** In the last two years, Americans with disabilities have left the labor force at a rate six times higher than that of non-disabled workers. To help improve employment opportunities for people with disabilities, the Act expands the Work Opportunity Tax Credit for Americans with disabilities.

### **Title 3: Restore Fairness to the Tax Code**

One of the reasons America’s middle class is struggling is that our tax code has become tilted in favor of very wealthy individuals and large corporations. Falling revenues have increased the deficit and made it impossible to invest in America. The Act will help to restore balance to the tax code that is critical for reducing inequality and fostering sustainable long-term economic growth while ensuring fiscal responsibility. To balance our tax code, we must:

- ***Institute the “Buffet Rule”:*** As a result of loopholes and special provisions in the tax code, the highest-earning 400 Americans in 2008 – making an average of \$270 million *each* – paid an average effective federal tax rate of just 18.2%. The Rebuild America Act includes the “Paying A Fair Share Act,” introduced by Senator Whitehouse, which will ensure that the wealthiest Americans pay at least as much as middle class families.
- ***Adopt a Wall Street Trading and Speculators Tax:*** The Rebuild America Act includes the Wall Street Trading and Speculators Tax Act, which would place a small tax of 3 basis points on common financial trades undertaken by banks and financial firms that trade financial securities.
- ***End Tax Breaks for Companies that Ship Jobs Overseas:*** To create a tax code that benefits Americans, the Act will close loopholes that incentivize companies to ship jobs overseas.
- ***Make Wall Street Take Responsibility:*** The Act includes a proposal from President Obama’s budget that requires the largest financial institutions to payback the assistance they received from the American taxpayers in order to help rebuilding our economy.
- ***Make Hedge Fund Managers Pay the Same Taxes as the Rest of Us:*** The Act closes the carried interest loophole, which allows hedge fund managers and other investors to manipulate the tax code in order to pay a lower rate on their earnings.
- ***Raise the Capital Gains Rate:*** The 233% difference between the 15% tax rates the rich pay on capital gains and the 35% top marginal rate on work for ordinary Americans is indefensible. The Act will increase the capital gains tax rate to help restore balance to the tax code.
- ***Protect Pensions:*** To further strengthen the retirement system, the Act will provide basic protections for the 44 million Americans with defined-benefit pension plans.

- ***Close Loopholes to Prevent Worker Misclassification:*** The Act will provide a fairer playing field to America's businesses and workers by helping employers to properly classify their workers.